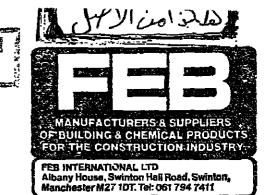


# FINANCIALTIM

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\*\*\*20p



NEWS SUMMARY

GENERAL

#### Trudeau **Equities** weaken; wins £ loses overall majority

Pierre Trudean was returned to power as Canadian Prime Minister, three months after announcing his intention to leave high-level politics.

Support for the Liberal party in Quebec. Ontario and the Atlantic provinces reversed the defeat inflicted on Mr. Trudeau last May by Joe Clark's Progressive Conservatives, although the West elected only two of the 146 Liberals returned to Parlia-

The Liberals now have an overall majority over the 103 Progressive Conservatives and 32 New Democrats.

Two principal reasons are being given for the result: of \$2,2665 at one point, when doubts about the calibre of Mr. Clark, and the tough budget proposals defeated in the House of Commons in December. Back and Page 4; Editorial comment Page 22

#### Iran power shift

Iran's President Bani-Sadr was appointed commander-in-chief of the armed forces by Ayatollah Khomeini in a move seen as further strengthening his position as head of government. There is some speculation that the Ayatollah is beginning to transfer some of his powers.

#### Gromyko warning

Soviet Foreign Minister Andrei Gromyko warned the U.S. that the Soviet Union would never allow it to break the "rough military parity" between East and West. Page 3

#### Sakharov concert

Exiled Russian cellist Mstislav
Rostropovich is organising a lower at 873.12 shortly before the close. February 27 to honour Andrei Sakharov, the physicist expelled from Moscow fast month.

Tito responding President Tito of Yugoslavia was said by doctors to be

#### is still gravely ill. Page 3 King Khaled ill

tests after feeling unwell. investment was only £1.13m First results were satisfactory, against £10.07m in January 1979. the official Saudi press agency Page 8 ... said, Page 4

Withdrawal plans Britain plans to withdraw its 1,300-man monitoring force (£1.6bn) trade surplus in the from Rhodesia eight days after wake of the gold price rise. voting in the elections ends on Page 4

# February 29, Page 8

IRA admits killing year rose to L4,725bn (£2.5bn) which was ten times the 1978 The IRA claimed responsibility which was the L363bn (£200m). for the killing of Colonel Mark Coe, 43, outside his home in

#### weekend. He served in Ulster 16-plus proposai

Plans for a simpler system of 16-plus examinations, with GCE Ordinary levels as the main "quality control," were amounced by Education

#### announced by Education Secretary Mark Carlisle. Page 8

Jewel robbery

Arsenic ruled out Arsenic poisoning has been ruled out as the cause of death of five whales washed up on the south coast in the past week, the Ministry of Agriculture

#### Briefly . . .

Mountaineer Chris Bonnington flew to Peking to plan an ascent of Everest from the Chinese

Nineteen people were drowned when a motor taunch carrying but the full year's result at 200 passengers capsized at £2.63m was ahead of the Dongazora, eastern India.

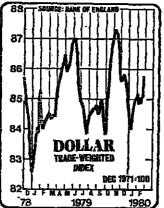
#### BUSINESS

# **2.45** cents

• EQUITIES, after an optimistic start, were affected by selling which hit ICI and other leading shares. The FT 30-share index closed 1.2 lower at 461.8. The Gold Mines index gained 4.4 at 351.8

O GILTS initially sbrugged off anxieties about rising U.S. firmation of a rise in prime rates created uncertainty, Longs had small gains, but shorts did hetter on demand from building societies. The FT Government Securities Index gained 0.16 at

O STERLING fell 2.45 cents to \$2.2720 and its trade-weighted index fell to 72.3 (72.9) after a sharp fall which reached a low



the Bank of England intervened DOLLAR gained ground to DM 17480 (DM 17410) and SwFr 1.6380 while its index rose to 85.8

● GOLD fell \$14 to \$648.50 in

• HIGH COURT has ruled in favour of Prudential Assurance in its action against Newman Industries and others. Back and Page 26

NORTH SEA OIL producers responding to treatment for his weakened kidneys, although he to Common Market countries, to Common Market countries, Mr. David Howell, the Energy

Secretary, said. Page 9 O UNIT TRUST sales figures for King Khaled of Saudi Arabia, last month were £35.5m but with 67, was admitted to hospital for repurchases of £34.36m, net new

SOUTH AFRICA is expected

to relax its stringent exchange control regulations shortly because of the country's R3bn

Bielefeld, West Germany, at the @ WATER employers will put forward an improved pay offer to leaders of the 33,000 manual workers in the supply and sewerage industry following the rejec-tion by the main union last week of a 19.2 per cent pay

#### COMPANIES

rise. Page 10

@ THERMAL SYNDICATE Armed gang stole jewels and taxable profits for the year to rings worth £190,000£150,000 October 31, 1979, rose to from two diamond dealers as £1.38m (£1.17m) despite a they left the London Silver reduced contribution from the taxable profits for the year to sale of processes and plant. Page 24

. MARCHWIEL, the building. civil engineering and construction group, reports pre-tax profits for the year to October 31, 1979 of £12.48m (£13.55m). Page 25. The rompany's vice-president, Robert McAlpine, has asked the Government to pay more than £10m in debts

owed to his company. • DRAKE AND SCULL Holdings taxable profits slipped in the six months ended October 1979, to £1.33m (£1.42m) previous year's £2.53m. Page 24

#### CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)

ATTITUD AT BOOTS -	405	1 1e
RISES:	Padang Senang 125	T 10
	Ashton Mining 160	+6
Bejam 63 + 3	Haoma Gold 45	+ 10
Foctor Brothers 106 + 6	Haoma Gold	
Greenali Whittey 169 + 3	Lennard Oil 105	T #
	Monarch Petroleum 43	7 2
Jones (Etnest) 216 + 18	Paringa	+ 13
Marchwed 88 + 6	187	T 0
Meyer (Mont L.) 99 + 5	Samantha Expla 157	7.7
meyer (mont D.)	T'1115.	
United Scientific 482 + 9	Blackwood Morton	18 ~2
Warner Estate 250 + 18	Biackwoon morton 367	& _
Westminster and	Booker McConnefl 267	- 9
Country 42 + 5	Datach Home Sintes 200	- 3
Country 42 + 5	Forness Withy 373	-4
Whitbread "A" 134 + 4	Furness will men 950	_ 5
The Control of the Co	GKN	· ×
DECEMBER OF THE PARTY OF TAXABLE PARTY.	Hambas Siddeley 176	<b>—</b> .6

#### Ministers act over industrial disputes

# New curbs threat to Government say union leaders

BY CHRISTIAN TYLER, LABOUR EDITOR

Union leaders warned last night that the Government was in danger of provoking the kind of confrontation that led to the downfall of the last Conservative Government.

Their reaction to proposed the extent of their business introduce into statute law the curbs on sympathetic industrial dealings with the company in concept of the "political action was predictable in its dispute, would still be legitilanguage of extreme hostility. disobeyed.

unionists would end up in jail, and the industrial relations climate would be so soured as to put the Government's own future at risk, they said, Employer bodies were far future at risk, they said, advantage of the proposed Employer bodies were far narrowing of historic trade from unanimous in their verdict union immunity.

on the proposed legislation. Some welcomed the proposals as exactly the lines of recent con- to leave close customers and long overdue changes to the of union-employer power. Others, particularly the private steel companies, described them as hopelessly Lords, of the existing law. inadequate.

The main effect of the plans outlined in a consultative paper companies too far removed from One of these tests would be trade union rebellion against the source of the main dispute. of the motives of secondary the Government's handling of

BY GILES MERRITT IN BRUSSELS

producers within days.

producers.

war, Mr. Askew indicated to

members of the 13-man commis-

sion that his Government could

no longer prevent U.S. steel

industry measures against EEC

According to senior Commis-

Brussels yielded a commitment

ment, now believed imminent,

by U.S. Steel of dumping com-

would lead to Community-wide

curbs on U.S. export of low-cost

man-made fibres.

sion officials, the talks in footwear.

dumping suits against EEC steel has just been permitted by the

roducers within days. commission to impose on U.S. At the end of a two-day visit fibres, or those that Italy

to Brussels for talks aimed at threatens to create unilaterally

on both sides "to remain in telks with Herr Wilhelm Hafervery close touch" in the next kamp, the External Relations few months.

The fear is that an announce—

Etienne Davignon, the Industry

plaints against EEC steelmakers dumping suits would entail a

forestalling an EEC-U.S. trade against polyester products.

content, but was delivered in mate targets of sympathetic anguage of extreme hostility. action. Others, less dependent like the one-day protest planned. The laws, if enacted, would be on the company in dispute, by the TUC, were not at present could successfully sue unions for covered by any immunity. breach of commercial contract.

It would be for employers to decide whether to seek injunctions or damages by taking

> nion immunity.
>
> Mr. Prior, who successfully
> The plans follow almost defended in Cabinet his decision troversial judgments by Lord Denning, chairman of the action, defended his decision.
>
> Appeal Court, in his interpreta
> The aim, he said, had been tion, overruled by the House of

Describing the proposals yesterday Mr. James Prior, the Employment Secretary, said would be to make trade union that judges would be required officials vulnerable to writs in to apply a number of tests and the civil courts if they called decide whether a particular sympathetic industrial action in strike or blacking was immune, to add to the groundswell of

U.S. trade envoy warns

of action on steel dumping

He could give no assurances that the U.S. would not seek

compensatory measures under

the General Agreement on

Trade and Tariffs that could

limit British wool textile sales

Mr. Askew's visit centred on

Commissioner. It was made very

clear to him that U.S. anti-

"disastrous" cut in the Euro-

Mr. Askew is understood to are led by the losing U.S. Steel, agenda at the London talks.

to the U.S., or those of Italian

But "first customers and first action. Mr. Prior agreed that the steel pay strike and its suppliers," defined in terms of this could for the first time Continued on Back Page Details and Parliament. Page 12 What the new proposals mean, what the police want, and Editorial comment. Page 22 Villiers criticises Government.

Back Page Other steel strike news, Page 10

### Havers warning on mass pickets

BY RICHARD EVANS

spelt out the clear limitations set by the criminal law in a determined attempt to clamp down on the abuse of picketing by militant trade unionists.

ing at private steel works, in particular Hadfields in Sheffield.

But, he said, political strikes,

Yesterday's moves are

direct consequence of the Lords' decision in the recent

Fleet Street blacking case of

immunities

further, he said.

(£430m).

pean steel industry.

The moves to initiate action side is expected to head the

Nott, the Trade Secretary.

Flooding of the UK market

by U.S. synthetic fibres produced from low-cost oil and gas

feedstock has been a central

issue in the trade disputes be-

The need to avoid further retaliatory measures on either

tween the EEC and the U.S.

Express Newspapers

Bul Ministers intend the statement to be seen as a sharp warning to pickets that they could face prosecution is they flout the law in future, and as an indication to police chiefs that they will have the full

The message will got out to chief constables that not only suppliers vulnerable to union should mass picketing be prevented because of the danger of disorder, but flying pickets to make the law follow what should be stopped whenever most people, including trade possible before they reach their destination.

unionists, would see as the reasonable course. He had been under considerable pressure to The timing of Sir Michael's statement was significant. It came on the eve of the forecast mass picketing today of the Kent The announcement is certain plant of Sheerness steel, and of a meeting between Mr. William Whitelaw, Home Secretary, and representatives of chief con-stables who will outline pro-

keen that ringleaders of militant trade unionists who use intimi-dation to stop people going to work should face arrest and pro-MR. REUBIN ASKEW, the U.S. have expressed apxiety that the but it is understood that similar secution.

Special Trade Representative, U.S. industry's expected action suits would also be lodged by left EEC Commission officials in on steel should not be seen by little doubt last night that the Community as retaliation last night that the U.S. Government expected anti- against the quotas that the UK

European steel industry ex-European steel industry experts think that introduction of complaints before the International Trade Commission. even if subsequently disallowed, may halve EEC steel sales in 1980 from a likely level of 5m tonnes at a cost to European producers of about \$1bn Another move by Ministers to

Mr. Askew left Brussels for London, where he will hold discussions with a number of Ministers, including Mr. John

THE GOVERNMENT yesterday

The purpose of the statement made in the Commons by Sir Michael Havers, Attorney-General, was ostensibly simply to clarify the law following recent examples of mes rich. recent examples of mass picket-

backing of the Government if they invoke the law.

posals for changes in the law.

Thousands of demonstrators, including miners and dockers as well as steelworkers, are expected at Sheerness—the only private steel company to have worked throughout the strike. Sir Michael's statement reflected growing concern among Ministers and many MPs that some police forces have not been applying the criminal law when there have been appar-ently flagrant abuses of picketing. In particular, Ministers are

Ministers dismissed the prospect of thousands of pickets being sent to jail, thus making the role of the police as making a judgment on the desirable scale of peaceful picketing and, should this be exceeded, of rounding up the ring leaders.

head off further picketing violence came yesterday in a letter from Mr. James Prior, Employment Secretary, to Mr. Len Murray. TUC General Secretary, calling on the unions Continued on Back Page

# U.S. inflation 'could well accelerate'

BY STEWART FLEMMING IN NEW YORK AND DAVID BUCHAN IN WASHINGTON

MR. PAUL VOLCKER, chairman of the U.S. Federal Reserve Board, warned yesterday that inflation "could well accelerate" in the first quarter of the year as bond prices plunged to the year as bond prices plunged. to new lows and commercial banks raised their prime lending rates back to a record 152 per cent.

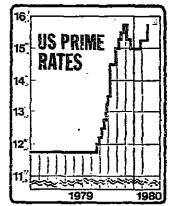
The Fed chairman was testifying before the House of Representatives' Banking Committee four days after wholesale price figures released last Friday indicated that a fresh burst of inflation may be on the way. The Fed reacted by raising its discount rate from 12 to 13 per

Mr. Volcker, who warned that M-1A increased by 5.5 per cent, any progress in curbing the infla- and M-1B by 8 per cent, tion rate would only become apparent in the latter part of the year, unveiled the Fed's new money supply targets for 1980, which he said should result " in further slowing of monetary in inflation and to the discount growth this year."

So far, however, Mr. Volcker's tighter money policy, instituted last October, has had patently little effect on bringing the inflaion rate down.

The Fed's new target ranges for money supply growth, for suit. all raised their prime the last quarter of 1979 to the lending rates from 154 per cent last quarter of this year, are for M-IA (currency and deposit accounts) to grow 3.5-6 per cent, the new M-1B (currency and all transaction balances) to grow 4-6.5 per cent, M-2 by 6-9 per cent, and M-3 by 6.5-9.5 per cent.

If the central bank managed to hit the middle of these target ranges, Mr. Volcker said, it would represent a significant slowing in money growth compared to last year, when the



In the financial markets, interest rates soared and share prices tumbled for the third consecutive day as they reacted to growing fears of an acceleration

Early yesterday several major banks, led by Chase Manhattan, with Bank of America, Morgan Guaranty Trust and Continental Illinois of Chicago quickly following of Chicago quickly following

rate rise.

to 15? per cent.

The rise reflects a renewed surge in the banks' cost of funds following the discount rate increase. At one point in the morning, Federal Funds were trading about 17 per cent and three months certificates of deposit traded about 14.60 per cent, one and a-half percentage points higher than a Continued on Back Page

Money markets, Page 31 Lex, Back Page

### PSBR target under £9bn

holding the public sector ments deferred from borrowing requirement at the present financial year. lower end of a range of £8.5bn to £9bn, or even getting below the law inoperable. They see pressure on interest rates and on sterling.

> There has been a radical downward revision Treasury estimate of public sector borrowing for 1980-81 from the £11bn estimate of last November. The new figures reflect both

estimating and policy changes. including the recently agreed further round of public spending cuts. The latest increase

THE BUDGET is being in North Sea oil prices will add planned with the object of to revenue, as will tax payments deferred from the On the policy side, the new

estimates take into account both public spending cuts in volume terms, amounting to about £700m, and an additional cash limits squeeze which could amount to 1-2 per cent of the public spending total, or just over £1bn in actual money. The new estimates have a could be upset if the recession is worse than expected. The likely PSBR outturn for 1979-1980 is £9bn. compared with a Budget estimate of £8.3bn. Lombard Page 20

1 <u>4</u>

### Dunbee asks for a receiver

BY ARNOLD KRANSDORFF

yesterday lost its battle for survival and asked its bankers to appoint a receiver.

A brief statement from the toy company said it could not meet the Habilities it guaran-teed in respect of its overseas companies' debts. The announcement came 24 hours after the company asked for its shares to be suspended at the market price of 22p.

This followed the failure to would have enabled the group to extricate itself from direct involvement in the loss-making activities in the U.S.

The deals fell through after the group's U.S. creditors filed

DUNBEE - COMBEX - MARX, Bankruptcy Act to preserve Group. their rights. Under the procedure, the Mr. Paul Shewell, a partner in

which according to the petition, amount to \$110m (£48m) against assets of \$98m.

Of the U.S. debts, the parent company guaranteed about subsidiaries with a view to company guaranteed about subsidi guaranteed debts elsewhere in the world, details of which have he world, details of which have of far not been revealed.

Following a request to appoint the saddest days of one's life. so far not been revealed.

clinch two vital deals, which a receiver to the parent company, the Midland Bank has also appointed receivers to all Dunbee's UK companies other than those in the Martlet Group of do-it-yourself and industrial the group's U.S. creditors filed businesses comprising Decco, a petition under the Federal Dunbee and the Stephen Wilson

U.S. company is compelled to Coopers and Lybrand, intends work out a plan to pay its debts to go ahead with the planned which according to the petition, flotation of the DIY and indusamount to \$110m (£48m) trial division. Midland Bank will support efforts by the receivers to cary on the trades of the UK

> According to the last annual report the group employs more than 4,000 people in the UK. No the immediate future, Mr Beecham said.

News Analyses, Page 26 Lex, Back Page

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Trades unions: legal protection and the police ..... BI, Cars: product and labour problems. little room for manoeuvring ...... 23 Yugoslavia: Belgrade assesses economic dilemma posed by Tito's decline ... 3 Canada: the triumphal return of Mr.

Management: harmonising international accounting standards ...... 14 Gardens today: achieving height in a Lombard: Samuel Brittan on public enough; challenge for Mr. Trudeau 22 Survey: Buses and Coaches ....... 15-19

ANNUAL STATEMENTS For latest Share Index phone 01-246 8026

# Wheres

Thinking about relocation. But where? You will have a set of views, opinions and prejudices about different areas of the country. This forms your geographical 'mental map' through which you sense the relationship of one place to another. But with so many carefully manipulated maps about, it's easy to confuse your mental map with reality.

We don't intend to confuse you. No manipulated map. Just straight talking. Quite simply Northampton's gazetteer reads; midway between London and Birmingham on the M1. close to the M6 junction and therefore within easy reach of most of the country. Indeed, 50% of Britain's industry and 57% of its population is within a 100 mile radius. The major sea ports of London, Southampton, Bristol, Immingham, Felixstowe and Harwich are all within a 100 mile rad Birmingham, Luton and East Midlands airports are within 50 miles. Heathrow is about 70 miles away.

An inland customs depot with full import and export facilities, ready-built industrial and commercial premises or full serviced sites, a wide choice of homes to rent or buy, good shopping, educational, recreational and entertainment facilities, as well as lots of open space. provide the infrastructure of this mature county town of

> Northampton middle england character prosperity & growth

for a straight answer contact Leslie Austin-Crowe BScFRICS Chief Estate Surveyor Northampton Development Corporation 2-3 Market Square, Northampton INI 2EN 060434734

### Italy's trade gap widens ten-fold to £2.5bn

DRAMATIC deterioration November and December sent the countrys overall 1979 trade deficit up to L4,725bn (£2.5bn), more than ten times the L363bn reported in 1978.

According to figures released yesterday by ISTAT, the national statistical institute, almost two thirds of the deficit — L3,177bn — occurred in the last two months. The

BY OUR ROME CORRESPONDENT

in the simmering Government meets.

after four days of argument, politics. horse-trading and backstage Now t manoeuvring means that the crats precongress is likely to end today put off

crisis here by agreeing to hand

the task of choosing a party

dates for the new National

council—rather than to the

congress, as at present—the task of electing a successor to Sig. December deficit of L1,718bn was the worst monthly figure ever recorded.

The sudden deterioration was largely caused by the sharp rise in the cost of oil imports in the second half of 1979 and a heavy rise in imports by both the chemical and metallurgical sectors.

However, Italy's true trading position may not be as bad as the figures suggest, and the

**Christian Democrats postpone** 

ITALY'S Christian Democrats freezes any initiative to try to Christian Democrat congress, yesterday moved further to break the political deadlock which they insisted should pro-

The choice of a secretary is

all-important question of what spring's regional elections, degree of co-operation the which will provide an important

intimately connected with the

the task of choosing a party intimately connected with the now be ready to wait until this secretary to a meeting of the party's National Council, to be held within the next three weeks.

The decision by the Christian Democrat National Congress here—its first precise move here four days of argument religious intimately connected with the now be ready to wait until this secretary that the now be ready to wait until this secretary that the now be ready to wait until this secretary to wait until this secretary that the secretary the state of co-operation the which will provide an important indication of party strengths.

In the meantime, further intense bargaining is in prospect to find a Christian Demo feature pattern of Italian crat party secretary, this time that the secretary is the smaller form of the smaller for

Now that the Christian Demo-

crats predictably have chosen to

put off the decision, it remains

upon whose Parliamentary abstention the fragile Govern-

ment of Sig. Francesco Cossiga

committed to bringing down

The Socialists are officially

depends for its survival.

decision on party secretary

postpone the moment of truth until the National Council

with a series of votes on policy to be seen what will be the statements and lists of candiatitude of the Socialist Party.

Benigno Zaccagnini, in effect Sig. Cossiga as soon as the

deficit would be considerably lower if calculated on an fob The returns for November and December suggest a sharp rise in stockpiling imports in anticipation of further price increases in

the pipeline. None the less the trend that emerges is ample proof of the growing difficulties facing the economy, as well as an indication of the shrinking com-

duce a clear cut policy state-

ment, was over. But there are signs that the Socialists may

now be ready to wait until this

In the meantime, further intense bargaining is in pros-pect to find a Christian Demo-

crat party secretary, this time

in the smaller forum of the National Council. The present front-runner is probably Sig.

Arnaldo Forlank, the former Foreign Minister, followed by

Christian Democrat president

who, however, is hampered by a serious split in his own centrist "Doroteo" faction.

The strongest single grouping now is one embracing Sig. Zaccagnini and Sig. Giulio

Flaminio Piccoli, the

petitiveness of Italian industry faced with an inflation rate now running at over 21 per

Textiles and clothing exports produced the greater foreign earnings at a net L7,399bn, followed by engin-eering products (L6.456bn) and transport products, in-cluding cars, (LI,954bn). But these were more than outweighed by the deficit of

L10,634bn on oil products, on which Italy is some 70 per cent dependent for its overall energy requirements, and that for foodstuffs of L4.926bn.

According to ISTAT imports for the year cost a total of L64,652bn, up 35 per cent on the previous year, while exports at L59,927bn were only 26 per cent higher than in 1978 in value terms.



Sig. Francesco Cossiga, right, the Prime Minister, and Sig. Benigno Zaccagnini, the outgoing party secretary, at the Christian Democrat congress.

Andreotti, the former Prime supporters who oppose the Minister, with around 40 per conciliatory line towards the cent of congress support.

provoke defections from his

Communists of Sig. Zaccagnini Sig. Piccoli would be happy and Sig. Andreotti—even to join them and ensure his though this stops well short of own election. But to do so might allowing the Communists into

#### **Dutch Government holds** Austria gives more credit unofficial talks with PLO

A SENIOR Dutch Foreign Foreign Ministries, were not Ministry official has held talks considered "official," since this with the Palestine Liberation implied recognition of the PLO. Organisation (PLO) in Damascus The aim was to ask the PLO to

Dutch Government, is part of between the EEC and the Arab a deliberate effort by the League, and as a result of Dutch Netherlands, which has tradi-tionally been strongly pro-Israel, Nations peace-keeping force in to improve contacts with the southern Lebanon.

The Damascus talks were between Mr. Noboth van Dijl, Parliament approved a carefully head of the Foreign Ministre's worded Opposition motion directorate for Africa and the urging the Government no Middle Fast, and Abdel-Mobsen longer to evoid unofficial conhead of the Foreign Ministry's Abu Maizar, a member of the tasts with the PLO. head of its international affairs tained its pro-Israel stance department. They were recom- tanita the benefits of closer panied be the Mitch ambrecades the eith the Arab world. It was

reconsider its attitude to Israel. Contact had already been The meeting, which took Contact had already been place at the request of the established within the dialogue

The latest meetings come three months after the Dutch

The Netherlands has mainto Suria and a socior PIA ... only country in Europe " ....'l" hovested during the the complete to a mirely largestable

# to E. Germany

By Leslie Colitt in East Berlin

AUSTRIA HAS increased its trade credit line to East Germany by Sch 5bn to Sch 17bn (by £174m to £593m), to facilitate further Austrian industrial

projects in East Germany. The agreement was signed in Vienna between representatives of the major Austrian banks and Dr. Werner Polze, president of the Deptsche Aussenhandlesbank.

Trade between East Germany and Austria has expanded since 1978, when the first Sch 12bn trade credit was given, and Voest-Alpine of Austria headed consortium which landed a Sch 5bn contract to erect a roughing-down mill at the steel-works in Ilsenburg Austrian exports to East Ger-

many rose to Sch 2.2bn last Dutch Foreign Minister 272.74 oil crisis. Its sizable imports from East Germany makes it were Sch 1.5bn, compared with Sch 1.4bn in 1978.

### New hope of firm pledges on West's oil ceilings

HOPES OF FIRM commitments Ministers at the December on oil import ceilings for 1981 meeting agreed to limit oil imby the western industrialised ports to an overall total of 23.1m nation were improved yesterday barrels a day in 1980 and to after a meeting in Paris of the adjust this, if necessary, at a governing board of the Inter- further session in March. Follownational Energy Agency.

would replace the vaguer goals steps which could be taken next for imports up to 1985 adopted by Western Governments at a ministerial meeting of the 20nation IEA last December.

Those \_\_targets are now regarded as too high and too indefinite by some IEA members. who want much more positive commitments on restraining consumption in the western

At the same time, however, the IEA members have backed last year—and production away from moves to make an remained high, the trend

ing disagreement between mem-If accepted, the ceilings ber countries on the practical month, that meeting has now

been postponed to May. Some countries, including the U.S., have accepted the postponement partly because, on present trends, oil consumption will fall this year under the pressure of reduced economic activity

Mr. Niels Ersboel, chairman of the governing board, said that, even though stocks stood at record levels—420m tonnes in January, against 385m tonnes early decision on cutting down towards rising prices showed their oil import target for this that the West must accelerate steps to reduce consumption.

### Oil imports boost French trade deficit

By David White in Paris

THE GRAVE impact of oil price increases on France's foreign trade balance became apparent in January, with one of the worst-ever monthly results, a seasonally adjusted deficit of FFr 4.63bn (£494m). The shortfall was almost half

that for the whole of last year, when France kept its trade deficit down to FFr 10.1bn. The deficit compared with one of FFr 927m in December. The rate of import cover was whittled down from 97.7 per January performance was well cent to 89.2 per cent, the within the Bundesbank's target weakest level for three years.

eached FFr 7.08bn. Imports on an adjusted basis since January last year, compared with export growth of

The net energy bill reached FFr 9.5bn, FFr 1.4bn more than in December and FFr 4bn more than a year previously. But the damage was made worse by a relatively weak export performance for capital goods, which showed a small FFr 700m surplus. Government trade officials said the normal January slowdown in deliveries had proved much sharper this year, but the setback was expected to be offset in

A more serious reflection on French industry's performance is contained in the consumer goods and household equipment figures, which showed an 18 per cent rise in imports from last year's monthly average.
On the other hand, agricul-

February.

January surplus of FFr 1.04bn. this year.

### Bundesbank will V keep tight cash restraints

BY KEVIN DONE IN FRANKFURT

grew at an annual rate, seasonally adjusted, of 5.5 per cent. this expansion.

This compared with a 6.3 per Manufacturin cent rate of growth during the final quarter of last year. The In crude terms, the shortfall September 1980 of a growth of products to the market.

5 to 8 per cent. In its report for February as long as economic activity continues at a strong level with a tendency for prices to rise strongly and the Deutsche mark exchange rate shows signs

of weakness. The strongest domestic impetus for economic growth was still coming in recent months from West German industry's increasing readiness to boost

capital expenditure. In the last quarter of 1979 the value of new orders for capital goods was 10.5 per cent above the corresponding figure for the last three months of

1978. value and 10.5 per cent in

tural exports, which in 1979 the first weeks of 1980, the made an important positive con-tribution for the first time in several years, gave evidence of the high level of domestic reinforcing this trend, with a capital expenditure to continue

THE BUNDESBANK, the West According to an IFO report German Central Bank, sees no published yesterday, investment reason to ease its tight monetary in plant and equipment is end of its money supply target per cent this year. The high policy and is aiming at the lower expected to increase by 5 to 6 level of existing order books in In January the money supply many industrial sectors is thought to be enough to ensure

Manufacturing industry expected to play a strong part in this investment growth, along with some service sectors, with within the Bundesbank's target an additional impetus coming for the 12 months to the end of from the introduction of new

Capital goods investment is not considered to be particushowed a rise of 34.6 per cent the Bundesbank says that there larly sensitive to short-term since January last year, come is no reason to change course falls in demand, although these will play a role in lowering sales by the motor industry.

According to the Bundesbank report many important areas of the German economy were close

to, or had already reached, full capacity levels.
The Bundesbank is now predicting a deficit on the balance

of payments current account of as much as DM 20bn this year. following the deficit of DM 9bn last year, the first time the current account has been in

The Central Bank has also issued a warning that the recent wage agreements concluded by Investment in new equipment the metal workers will add con-in the same period showed an siderably to cost pressures in increase of 13.5 per cent in the Federal Republic. When Despite the slowing down in into account the rise will be economic activity apparent in of more than 2 necessary agreed in previous wage rounds are taken into account the rise will be economic activity apparent in of more than 2 necessary. increases already agreed in pre-

the Bundesbank. The Central Bank's latest report also makes clear that private individuals have beenbuying much more gold in recent months.

### Prague reports fall in tourism

BY PAUL LENDYAL IN YIENNA

CZECHOSLOVAKIA has re- last year was 18.35m, about travelling abroad dropped by ported a 10 per cent drop in 1.08m down on the figures for 667,000 to 10.2m. The decline the number of western tourists 1978. There was a 6 per cent in trips to other Communist who visited the country in 1979 drop in the number of visitors countries was said to be due to compared to the previous year. from other Socialist countries The number of holiday- to 17.2m. makers from the eastern bloc also fell, but the decline in the the Third World numbered number of visitors from hard 1.12m. West Germans headed currency areas affects the country's external payments

situation most directly. The official news agency report of the figures referred only to numbers of tourists and gave no indication of the foreign exchange inflow or reasons for the decline. The total number of tourists

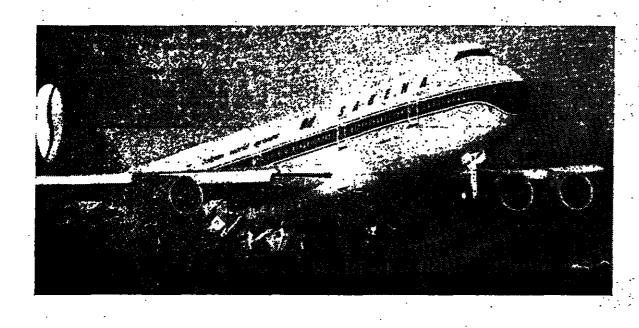
Tourists from the West and

the list with 414,000, followed year, with 125,000 going to West by Austria (275,000), Italy Germany and 116,000 to (68,000), the U.S. (43,600) and Austria. Sweden (34,000).

East Germans led the eastern bloc figures with 6.7m, a drop of 250,000, followed by Hungary accept Sundays and holidays. (5.2m, down by 500,000), and Poland (4.4m, down by 570,000). The number of Czechoslovaks

transit restrictions imposed last summer by Romania. The number of travellers to the West is reported to have risen by 12 per cent to 436,000 last

rimanctal. TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per shaum. Second Class postage paid at New York, N.Y., and at additional mailing-centres.



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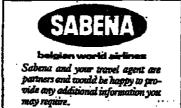
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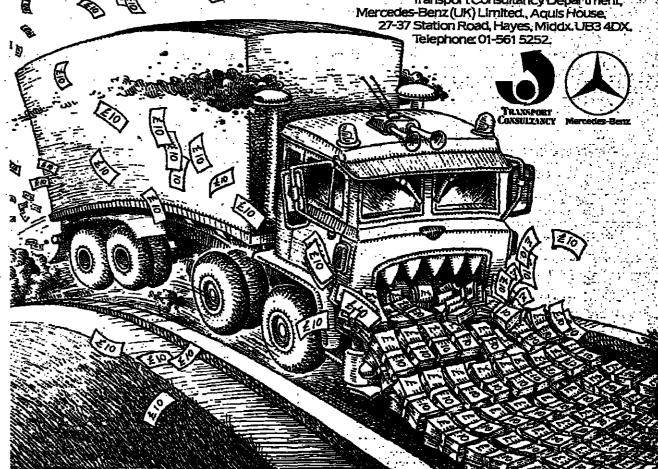
costs, they have recognised the value of

obtaining this kind of information to help

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exactly how we do it. Transport Consultancy Department,





# W. Germany to campaign for aid for Turkey

BY METIN MUNIR IN ISTANBUL

HERR HANS MATTHOEFER, Minister who left Ankara yes- to liberalise the Turkish terday after consultations with economy and open it up to Turkish leaders, will soon foreign capital — and his fourembark on a campaign to raise month-old minority Government \$2.5bn to bridge Turkey's 1980 are to survive. balance-of-payments deficit.

He will also try to raise the level of Western military aid to Turkey, particularly from his country and the U.S. be possible to raise \$1.50n under the aegis of the Organisation for Economic Co-operation and Development (OECD), which

Herr Matthoefer will travel to Britain, the U.S. and Canada, and will communicate with France, German officials said programme is also

expected to include contacts with the International Monetary Fund (DMF), the World Bank and international banks. Herr Matthoefer apparently believes that Ankara's \$2.5bn requirement is "realistic" and possible to meet."

three-year-old trend of recession and could buttress the new economic package of Mr. Suleyman Demirel, the Prime

The package has triggered price increases, deepening the potentially very serious social discontent among the low-industry, which has relapsed income city-dwellers who are in into a state of gloom, and the overwhelming majority.

Mr. Demirel must show some West German Finance results if his package-intended

The Germans believe it may be possible to raise \$1.5bn under Development (OECD), which put together a similar package of \$906m last year. The terms of the new loan would be more generous, with a higher ratio of programme credits.

An IMF stand-by agreement and about \$600m from the World Bank would constitute other sources.

The Germans further believe that international banks' reluct ance to open further credit lines to Turkey could be over The credits could play a come under pressure from the crucial role in reversing the IMF and Western Governments.

The OECD is to hold a pledging session of its members in Paris on March 25. Funds could be forthcoming in April or

Psychologically, the credits would be a boost for Turkish industry, which has relapsed generally raise Turkey's morale.

### Vance in Bonn to close alliance ranks

BY ROGER BOYES IN BONN

Mr. Cyrus Vance, the U.S. Secretary of State, begins talks ment clearly feels that lack of in Bonn today on the first stage of his European tour. His visit is aimed at closing the ranks of the Western alliance -or at least papering over the cracks between Washington and some of its European

The atmosphere was somewhat soured recently by abortive attempts to organise a Foreign Ministers' meeting to prepare a response to the Soviet invasion of intended to coincide with Mr. Vance's Bonn visit, but the move foundered after France turned down an invitation, response to the crisis.

The West German Governconsultation between the U.S. and Europe is at least partly to blame for the confusion.

The need for more consultation is expected to figure on the agenda in Bonn, although German leaders will naturally stress their commitment to the

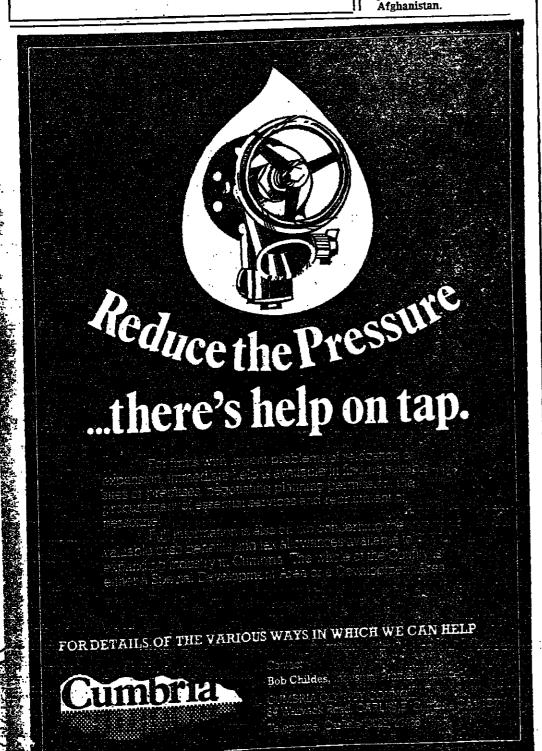
Mr. Vance, who is also to visit Paris, London and Rome, has been reassured of Bonn's solidarity by a string of visits Afghanistan. The meeting was by West German politicians to Washington in the past 10 days. Count Otto Lambsdorff, the Economics Minister, has had talks with other top U.S. saving it opposed confrontation officials as has Herr Willy between East and West as a Brandt, the Social Democrat Party chairman.

### HARRY WINSTON Inc. of NEW YORK

announces the inauguration of its

corporate diamond buying branch in the

REPUBLIC OF SIERRA LEONE



Anthony Robinson in Belgrade assesses the economic dilemma posed by Tito's decline

# Yugoslavia faces an uneasy choice

Mr. Andrei Gromyko: willing to negotiate

### Gromyko warns U.S.

#### on arms

By David Satter in Moscow

MR. ANDREI GROMYKO, the Soviet Foreign Minister, has warned the U.S. that the Soviet Union will never allow it to break what he said was the rough military parity which now exists between East and West. The Soviet Union is ready to

conduct talks on reducing the numbers of medium-range missiles in Europe, but only if the North Atlantic Treaty Organisation's decision to deploy new U.S. missiles in Western Europe is cancelled or suspended, he said.

n a wide-ranging speech pub-lished yesterday in the Communist Party newspaper Pravda, Mr. Gromyko also ridiculed "some figures" in the U.S. who have been unable to put their "disturbed nerves" in order after the intervention Soviet Afghanistan. The Soviet Union has pursued

no other objective but to help the Afghan people in repelling outside aggression." Mr. Gromyko told a meeting near Moscow on Monday.

The U.S. had reacted "oversensitively" to the failure of its plans to transform military bridgehead."

Mr. Gromyko warned the U.S. against playing the "China card" in relations with the Soviet Union. He said: "This game is fraught with hazards for those who are about to engage in it" and is dangerous for the cause of

Mr. Gromyko accused President Jimmy Carter's Administranurning towards cold

war policies. It was in the atmosphere of a "militarist bacchanalia" that the decision was taken to put off ratification of the SALT-II treaty, he said.

treaty, he said.
There was no "oustanding issue of inter-state relations" which the Soviet Union would be unwilling to negotiate as equals, but Mr. Gromyko made no mention of willingness to negotiate over the presence of troops in Afghanistan.

situation cannot continue, from last year's record \$3.5bn. Either, because of existing. The foreign debt is already in problems in the economy, even stronger administrative measures will have to be introduced; or we will have to strengthen the laws of the therefore, the number one of adhering to the overall market economy. There is no third possibility."

This assessment by Prof. Dusan Bilandzic - historian. Party theorist and member of the Central Committee of the League of Communists in Croatia—sums up the economic dilemma now facing Yugoslav politicians as the country seriously contemplates the prospect of life without Tito.

It reflects the debate now who argue that tighter central controls are needed to inject greater discipline into an overheated economy.

In the middle, the pragmatic younger generation of technoagree that the process of liberalisation should continue. but say it must be accompanied by a strengthening of macro economic control by the Federal Government and Central Bank over import licences, overall investment priorities and money supply.

The need for such discipline has just been underlined by the debate in the Federal Assembly in Belgrade which precedes the fixing of annual economic targets. This year representatives from Yugoslavia's six republics and two autonomous provinces agreed in principle that economic growth should be kept to around 5 per cent, compared with 7 per cent last year, and that the balance of payments

IN THE long run, the present deficit must be reduced to \$2bn strain of taking unpopular problem this way: up to now he and decisions.

Once political agreement is reached, it will be up to Yugoslavia's self-managing excess of \$13bn and the authorities do not want to see it rise enterprises and social bodies to much further. Reducing the show that they, too, are capable balance of payments deficit is, priority. To achieve this, however, investment has to be curtailed, exports raised by a argue that the Federal state must have the fiscal and targeted 6 per cent in volume terms, and inflation cut from monetary instruments to ensure compliance with the overall last year's 23 per cent to 17 per cent or less. This in turn highlights the

the Although agreed on the overall targets, they could not agree on the individual sacrifices which every republican province will have to make for the overall the individual taking place here between those targets to be achieved. Indeed, who believe that the future lies when the imports required to in greater democratisation and satisfy the investment and proin greater democratisation and satisfy the investment and pro-economic liberalism and those duction targets of the individual republics were added up, the figure which emerged implied a payments deficit of \$5bn.

Much horse-trading and political skill will be required to bring the \$2bn target within erats, economists and bankers reach. And it will be one of the main yardsticks for measuring the ability of the post-Tito poli-

> BELGRADE - President But officials said the situation remained tense and unpre-Tito, who is still dangerously ill, rallied slightly yesterday. dictable. Doctors said his critically weakened kidneys were im-

Almost a week after Government leaders started preparations for the funeral of the President, who is 87, a medical builetin, which still described his overall condias grave, said his kidneys had

TITO 'RESPONDING TO TREATMENT responded to active therapy.

is this compatible with stronger

administrative controls from the

troying the basic principles

The President's heart, described as generally robust despite some strain last week, remains a key factor. He is reported to have been drifting in and out of consciousness.
In yesterday's bulletin, the

team of eight doctors at Ljubljana, Northern Yugoslavia, said "Problems of insufficient

has been to nationalise profits north and the south. and socialise losses. The most self-managing efficient enterprises are being discouraged because the profits which they are theoretically supposed to control on the selfmanagement principle are often

out, not only pay taxes to the facilities like petro-chemical local and federal government. They also have to subsidise the losses of the less efficient companies, pay the biggest contri- capacity. butions to the regional develop-ment fund and face the biggest dilemma described by Professor Bilandzic. Under the Yugoslav claims for the self-managing bodies which run health, educasystem, the self-managing enterprises and institutions are suption and social security facilities. posed to run their own affairs.

The problem highlighted by Prof. Bilandzic is compounded by the fact that Yugoslavia is

All that can be said at this in the grip of "investment tage is that Yugoslave are All that can be said at this in the grip of "investment stage is that Yugoslavs are mania," and has been for years, acutely aware of the dilemma, In many ways, one of Yugoand that in the past they have slavia's most attractive features shown considerable ingenuity is the enormous enthusiasm for and a willingness to change the investment which is aimed at rules, if necessary, without des- modernising the economy, cutting unemployment - the It is clear, however, that all is official unemployment rate is 12 not well with self-management. per cent. in spite of an exodus Professor Bilandzic sums up the of over 1m Yugoslav workers

functioning of the kidneys are

less evident after the applica-

tion of active therapy." Other

forms of intensive treatment were also being applied.

Tito's treatment since be went

into hospital nearly seven

weeks ago have been dis-closed, but indications are

that various life - support

systems have been used.

Few details of President

says, the tendency in Yugoslavia reducing the gap between the

The difficulty is that, until recently, many investments have been undertaken by loss-making enterprises without funds of their own to invest or at the behest of local politicians want-

virtually taken away from them. ing to endow their particular These enterprises, he points republic with "prestige" plants and refineries which may involve unnecessary duplication already

> The resulting distortions have tied up investment funds, added to inflation and distracted task of boosting exports to pay for the imported equipment and spare parts required. The problem has been made even more complicated by the tendency of employ more people at the expense of productivity per man and to vote themselves

higher salaries than either productivity of profitability justify. It is at this point that the "liberalisers," or free mar-keteers, come into their own. They maintain that the best solution to these problems lies in more competition, greater freedom for the market to decide priorities, and a new willingness to allow efficient companies to keep and reinvest their profits, while inefficient enterprises go to the wall.

They also argue that restrictions on private enterprise should be relaxed, on lines similar to legislation already in operation in Slovenia. The Liubliana Economies Institute recently estimated that up to 1.5m new jobs could be created in the private sector if some of present ideologicallyimposed limits were removed.

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### Manpower problems hurt Libya's growth prospects

THE RECENT upsurge of signs that oil wealth alone may and Tunisia is drawing attention to Libya's own economic ences between them.

Last month's Libyan-inspired attack on the Tunisian mining town of Gafsa provoked anger and suspicion which has now intensified with the installation of an off-shore oil platform by the Libyans in the disputed Gulf with petrodollars. But apart of Gabes. The Tunisian Prime Minister has described the Libyan move as "an act of

Libya has been contesting offshore oil rights with Tunisia for over a decade, and the two countries nearly came to blows over the issue in 1977. Col. Gaddafy and Mr. Habib Bourguiba also differ markedly in their styles of leadership and in their views on such key issues But the roots of tension also lie in the deep-seated economic disparities between the two and agriculture still account for countries. Closer relations or only a minimal proportion of even a merger (abortively attempted in 1974) could bring The mutual benefits. But their differences rule the idea.

lacking Libya's oil resources, boasts a population more than twice the size (6.3m) but suffers

from serious unemployment. So far Libya's powerful economic base is relatively unaffected by its feuds with Tunisia and Egypt, or by the sacking of the U.S. embassy last December and consultate in Library embassy and consulate in Libya early this month.

tension between the two North not prove enough to see Libya African Arab states of Libya through in the long term. Certainly the country will face serious difficulties broadening problems as much as to the its economic base away from oil many serious political differ before reserves expire in 30 years' time.

In the short-term, two recent income even higher than the \$10.000 claimed last March—and the country is virtually awash from the severe labour shortage, the two main constraints for the future are a lack of basic economic installations and the ravages caused by Col. Gaddafy's almost naive exercise in economic socialisation.

Economic development should follow the 1976-80 "transformation" plan which aims at raising the gross domestic product by 11 per cent a year. The non-oil sector is supposed as the Egypt-Israel peace treaty, to grow at twice the pace of oil. But it is running badly behind schedule, and industry only a minimal proportion of

The plan is designed to meet most perceived needs simul-taneously—in agriculture, differences rule the idea out.
Libya's chief economic industry, utilities, transport and problem is its manpower short. communications ay well as the age. The country has a population of only 3m. Tunisia, though constraints on Libya's development mean that only 70 per cent of allocations will be used by the end of the plan, and the oil refinery programme has been

The sacking in January of five key Ministers—including the Ministers of Oil and the Economy—testify to the frustra-tion felt about the lack of progress. A spokesman said that Libya was entering the final year

\$5.4bn-worth \$5.4bn-worth of projects. Significantly plans worth around \$12bn will be transferred to the 1981-85 plan, which must be

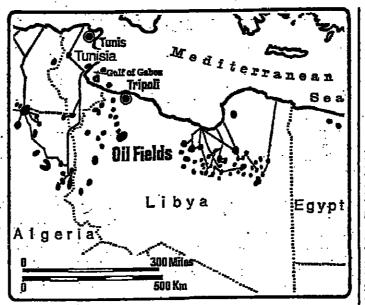
GDP growth is nevertheless said to have averaged 9.5 per cent a year over the past four years, close to the projected increases in the price of crude figure. Industrial production oil will boost Libyan per capita rose by 15.7 per cent from 1978, mainly because of an increase in petrochemicals and agricultural output grew by 8.5 per cent. Although conspicuous waste

was a feature of the past there is now a new awareness of cost. Recently a World Bank team was invited for the first time to streamline contract procedures and help implement them more efficiently. Despite high revenues, Libya's planners are also contemplating borrowing the international capital market for development pur-

The acute shortage of skilled administrators has been worsened by the exodus of 100,000 out of 250,000 Egyptian guest workers following the breakdown of relations in 1977, and by military conscription in response to a perceived threat by Egypt. Some 50,000 young men were

drafted in the first of three call-ups last year. Foreign companies complain that their to be a white elephant. and their trainees In one case, a commercial attaché calling on the crucially

manpower But there are disquieting of the plan with a backlog of means increasing reliance on but while the measure applies needed.



expatriate labour. This is now to enterprises with over five put at 350,000 people, equalling employees, the three key sectors and in specialised areas exceeding the native workforce.

The combination of expensive imported labour, a restricted is now virtually complete. ductivity as the result of workers' takeovers of industry has east serious doubts over the trend economic viability of much of organic

The country's exports are uncompetitive and there may be little world demand for Libyan petrochemicals and steel. The planned Misurata steel project, for instance, will cost \$5bn including a railway and town-ship, and is designed to be the orld's ninth largest steel plant. It is due to produce 7m tonnes of steel a year by the end of

The latest shock to the guidelines. The most drastic of these requires workers' control important People's Committee of industry, as laid down in part Both China and Australia of a State importing company two of Col. Gaddafy's Green have been without any was told by a lone, disconsolate Book, published in February embassy buildings for the Pakistani that everyone had been drafted.

The mappower shortage and discustion of the economy. 100 out of 150 workers it

of oil, banking and insurance Socialisation of the economy

domestic market and low pro- Private importers have been ductivity as the result of replaced or absorbed by State importing companies, with the economic viability of much of organisations. The private retail Libya's projected industrial sector is being stifled, to be replaced by huge, state-owned supermarkets. Although there has been little opposition to Gaddafy's policies most Libyans enjoy a vastly improved standard of living—the middle classes are bitter that most have received no compensation what-ever for nationalisation.

For foreigners the wors Gaddafy's measures has been the takeover of their homes. This followed his decree that all Libyans were entitled to a home each. Over-zealous interpreta-Libyan economy, already heavily tation has led to forcible takesuddenly disappear without nationalised, has been the over of expatriates' houses at warning for up to three years, implementation of economic gunpoint and to a drastic reduction in the amount of rented

shortage and disruption of the economy, 100 out of 150 workers it

# U.S. union leader calls fo law to protect car-maker

MR. DOUGLAS FRASER, president of the United Auto Workers' Union, has called for legislation aimed at protecting the U.S. car industry from growing foreign competition.

Briefing reporters after his visit to Japan last week, Mr. Fraser said the UAW would not be satisfied with "voluntary" controls imposed by foreign manufacturers on their own shipments to the U.S.

Instead, he said the UAW wants firm, solid commitments," anding that the union will press for Federal legislation to require major Japanese car makers to buy a specific proportion of parts used in vehicles they sell in the U.S. from U.S. suppliers.

Last month, led by the acceleration in the sales of smaller Japanese vehicles, im-ports of foreign cars into the U.S. soared by 56 per cent from a year ago, and the imports' share of the U.S. car market hit 26 per cent. The trend contrasted sharply

once again with the perform-ance of the major U.S. manufacturers who, with the notable exception of General Motors, market share, reported declines

The Japanese manufacturers, who now occupy the top five places in the table of leading importers of vehicles into the U.S., have been under increasing pressure to expand their U.S. manufacturing facilities.

Last month Honda became the first of the Japanese companies to announce plans to set up a U.S. assembly line. It is proposing to build a 10,000 unita-month plant in Ohio at a cost of \$200m.

Nissan has let it be known that it too is considering setting up a U.S. manufacturing facility and Mr. Fraser disclosed that the company's management has made "firm commitments" to him to announce a decision soon on building a new pick-up truck assembly plant in the U.S.

The Japanese companies are under increasing pressure to assemble light trucks in the U.S., partly because Treasury officials are studying a proposal to effectively increase the import duty on such vehicles from per cent to 25 per cent.

How much support Mr. Fraser will be able to gather for legislation on the sourcing of parts which reported a 3.2 per cent by foreign importers is uncerrise in sales and a 65 per cent tain. There is a growing protectionist lobby in Washington, with the steel industry in par-



Mr. Fraser . . . seeking : commitments

complaid again bitterly about alleged dump But the Carter Administration that remained committed free trade principles. Mr. Fraser's own welcom the White House is though have worn a little thin a result of his decision to sup Senator Edward Kenne challenge for the Democ Presidential nomination weeks after the Carter Adm tration had successfully pre for legislation to help the a

### **Carter underscores** military readiness

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER again arms race. "The immediate warned the Soviet Union crisis," he said, "underscores that the United the importance of mutual constates was "capable of responding to a threat to peace in any area of the world."

The President told the the ratification of the SALT II

American Legion conference treaty." here that "a dangerous decline But his message, delivered to the former U.S. servicemen, was designed to emphasise the in defence spending" had been reversed and that the U.S. economy was capable of absorbing new defence outlays without strain.

Mr. Carter in effect acknowledged that he did not expect critics, Mr. Carter has still not the Soviet Union to withdraw gone far enough in this direcits troops from Afghanistan by tion. Specifically, some are today, the deadline he had set saying that he should reconfor withdrawal if a U.S. boycott sider his decision of two years. of the Olympic Games in Moscow was to be avoided. But he added that he had no

ago not to proceed with development of the B-1 supersonic bomber.

intention of withdrawing his But the President main-ultimatum. "That deadline is tained again that accelerated tomorrow. It will not he development of the Cruise changed," he said. Mr. Carter was careful to better option: the Cruise, he insert into his speech his said, would be much more able commitment to the principle of to penetrate Soviet defences keeping a lid on the nuclear than the B-1 bomber.

designed to

### Governmendo all' upset in St. Kitts po

Labour Party in the island state of St. Kitts-i is likely to be ousted government following failure to win an abmajority in Monday's g election.

Labour, led by Mr. (

Moore, a 41 year-old Br trained lawyer, has cla House of Assembly, People's Action Move (PAM) claimed three an Nevis Reformation retained the only two sea the island of Nevis. In Labour won all seven set St. Kitts.

Although the Governor Probyn Inniss, has no called on any one par form a new Government, expected that the Pe Action Movement and Nevis Reformation Party agree to a coalition head. Kennedy People's Action Move

### 8 days for Rhodesia withdrawal

BRITAIN has prepared a plan for the retrieval of its 1,300man Rhodesia monitoring force that could go into action the minute the last ballot box is sealed on February 29. If the withdrawal is orderly, the airborne operation should be completed in eight days.

Senior British officials are confident that the lightlyarmed soldiers stationed at the 14 guerrilla assembly points will not have to fight their way out of the country after the election. But the eight-day airlift could be contime in an emergency.

A final decision on when to start the withdrawal has not yet been taken. Under the Lancaster House agreement at least some of the troops, who are performing importadministrative medical functions in the

camps. could stay until the country's independence if asked to do so by all parties. But the likelihood is that the majority will be back in Britain within three or four days of the end of the elections. If all goes well, the plan is to assemble the entire force, with its equipment, in Salisbury before starting the airlifL

Our Lusaka Correspondent reports: President Kenneth Kaunda of Zambia said yesterday that he feared a South African-backed coup in Rhodesia if the former Patriotic Front parties looked like winning the election. He accused Britain of having called in several battalions of South African troops.

The President added that Rhodesian military com-mander, was in more effective control of the colony than

### Easier S. African exchange controls likely

BY QUENTIN PEEL IN JOHANNESBURG

Africa's stringent exchange tions.

STEPS TO RELAX South South African financial institutover how quickly controls on means either freeing exchange

control regulations are expected to be announced shortly, because of the country's huge R3bn (£1.6bn) trade surplus in 3bn (£1.6bn) trade surplus in a tentative first step. Further Reserve Bank, is pressing for he wake of the gold price rise. moves may follow to permit early liberalisation.

Advisers to Senator Owen short-term inter-bank place- "Funds are bottled up inside the wake of the gold price rise.

The South African Reserve relaxed.

Bank is expected to authorise banks to hold larger dollar deposits outside the country as

Horwood, the Minister of ments. However, there are South Africa because of de Kock has been to allow third Finance, are urging that some controls be scrapped to release of opinion between exchange control," he said yes countries — Malawi is mencontrols be scrapped to release officials in the Reserve Bank terday. "We have to think of the tioned as one — to borrow trade the liquidity building up in and at the Ministry of Finance mopping up this liquidity. This credit in Johannesburg.

other money movements can be control to allow banks to get money out of the country to Dr. Gerhard de Kock, special build up foreign assets, or adviser to Mr. Horwood and engaging in open market operasenior deputy governor at the tions on a tremendous scale."

One action already taken by the Reserve Bank, which is Funds are bottled up inside clearly less enthusiastic than Dr.

### Fraser to boost defence budget

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Govern in real terms in the 1980-81 more crews for long-range mariment has decided to increase defence expenditure significantly over the next five years, because of what it sees as the changed strategic prospects in

the region. Mr. Malcolm Fraser, the Prime Minister, told Parliament when it resumed yesterday after the 10-week summer recess, that the West was facing its most critical test since the Second World War, following Soviet invasion

Panmunjom, failed to agree

respective

South Korea stuck to its

Ministers.

BY RON RICHARDSON IN PANMUNIOM

DELEGATES FROM South first-ever government-to-govern-Korea and North Korea, meet-ing at the border village of regimes. The North's repre-

yestday on a venue and agenda should take place alternatively for a proposed meeting between in the two Korean capitals of

earlier proposal that Geneva, or conduct of the proposed meet-possibly another third country ing and the delegates agreed to

Prime

site, should be the venue for the meet again on March 4.

1, and possibly by more, if deals can be arranged for new equipment such as a fourth Australia. Talks will also be U.S.-made guided-missile frigate held on ways in which Austrafor the Royal Australian Navy.

Australia's current defence Budget, which at A\$3bn (£1.5bn) — represents 2.7 per cent of Gross National Product, will be brought up to 3 per cent of GNP by 1984-85:

Defence spending will be patrolling of the Indian Ocean, the six British-made Oberon raised by at least 5.5 per cent supported by the training of class submarines.

Koreans fail to agree on summit venue

sentatives insisted that meetings

Progress was made on five

procedural points covering the

grading port facilities at Cockburn Sound naval base, Western lian forces can co-operate with those of the U.S.

Later this year a commitment will be made for the purchase of 75 new fighter aircraft to replace Mirage squadrons. Weapons systems are to be upgraded on the 20 F-111 fighters, Immediate increases in ex the 20 Orion long-range maripenditure include extra sur- time patrol aircraft, the three veillance flights and naval guided missile destroyers, and

A South Korean spokesman

suggested that the issue of the

venue was being used by each

Pyongyang has moved away

contact with the Seoul Govern-

ment in the hope of influencing

in South Korea.



King Khaled: history of heart trouble

#### Saudi King in hospital for tests

BAHRAIN-King Khaled of Saudi Arabia was admitted to hospital in Riyadh for medical tests yesterday after feeling unwell. The official Saudi Press agency said that first tests were reassuring and satisfactory.

side to probe the intentions of the other. The South fears King Khaled has undergone open-heart surgery in the U.S. twice in the past eight years and in 1977 underwent from its long-held rejection of the unsettled political situation a hip operation in London.

# Turbulent start to Mexican VA

But the principal thrust of

steps he has taken to enhance U.S. military readiness.

In the opinion of some of his

BY WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government, modernisation of the Mexican fusion among both the p which has suffered long in its tax system. This year VAT and traders over what ex efforts to extract taxes from the should bring in at least 100bn is or is not subject to VA on January 1 replaced the old 4 per cent mercantile tax.

earning a fast peso, have been doge than the ol accused of trying to charge an mercantile tax. extra 10 per cent on top of regular fares, and some shopkeepers have been billing customers for the tax on exempt Most complaints about VAT have probably come from

the large body of Mexicans accustomed to long lunches. Sharp-witted waiters are ensuring that their 10 per cent is

populace, has had a stormy first pesos (\$4.4bn) compared to month with its new 10 per cent 80bn pesos (\$3.5bn) if the sales value added tax (VAT), which tax had continued.

Apart from netting more must the country's consumer protection agency. Mexico, more difficult. VAT is
Mexico City tax drivers, recharged on each stage of pronowned for their ingenuity in duction, and is a secured agency. revenue for the State coffers.

The exact extent of tax evasion is not known, but according to the latest World Bank report on Mexico, it has been estimated that the Treasury collects less than half

the revenue due to it.
The Finance Ministry has announced that VAT banditry will be punished severely. Offences like carrying a double valculated on the total bill after VAT has been added.

The introduction of VAT is part of a general overhanl and been the result of the con-

The Finance Ministry car out an extensive adverti campaign with weighty slo like "Long Live (tax) Chi in Order to Progress," but recently has it spelled out radio and TV what articles subject to the tax. The issu complicated by the fact the ministry decided not make it obligatory for shop publish VAT lists.

The long list of exempt includes all non-processed id like rice and corn along meat, fish, vegetables, fr eggs, newspapers, rents, lott tickets and the sale machinery used by depressed agricultural sector

In areas bordering the I where there are many in-b plants using U.S. raw mater and Mexican labour, VAT lower-6 per cent against per cent

W. L. Luetkens in Toronto examines the Liberals' sweeping victory in the election

Seoul and Pyongyang.

### Trudeau wins control of a divided country

EASTERN CANADA has given and uranium, will barely be garded Mr. Trudeau as one of wants to devote special interest munity seems largely to have Mr. Pierre Trudeau carte represented in the new Federal blanche to govern the country Government for as long as he sees fit during the five years' life of the Canadian House of Commons elected on Monday. The West the great exception. All 21 rejected him and his Liberal constituencies there returned party even more thoroughly Progressive Conservatives. This firm central government, is of a majority of English-speak. Liberals to the left of centre, than it has been doing ever since the election of 1972.

That, in a nutshell, is the geography behind the return to power of the man who first became Prime Minister in 1968, in a wave of so-called "Trudeaumania," but who was narrowly ousted by Mr. Joe against both dearer petrol and year to ask his voters for Levesque's Parti Quebecois nothing. Clark's Progressive Conservative party last May.

province, while not one Liberal growth. was elected further west. As a result these provinces, with factor also came into play: industry, their growing wealth of oil, gas French-speaking Quebecers re-

his home state of Alberta was decided. of C\$14.75 (U.S.\$12.69).

At that time voters in the party leader, but in the public West returned only three eye had never made good his Liberal MPs. One of them, in claim to be the man to solve the British Columbia, lost her sear on Monday. The other two, from Manitoba, were both returned in what is still an almost exclusively agricultural province, while not one Libert was a from the man to solve the salso the split between politics. Mr. Trudeau's return may even have given Mr. Levesque a better chance with found not to be of benefit to ful not canada by the Foreign investment which is owned to be the man to solve the ma

their own.

The net result is that Mr. Trudeau, a known advocate of was because Alberta stood to running a country of many divigain most from the intention of sions. The most dramatic and tired of Quebec and upon the New Democrats a the Clark Government to allow (though not necessarily the associated the staunch Federal- growing amount of interference the heavily subsidised price of deepest) rift is between Quebec ist and centralist Mr. Trudeau

Mr. Rene Levesque, the The East, however, voted Quebec Premier, intends this Quebec does not mean that Mr. as to be committed to almost against both dealer period sink with a sufficient of the provincial government is Even the issue of foreign in authority since becoming sovereignty for his province finished. Quebec often votes vestment which he raised last while retaining economic union one way in Federal elections week was couched in the with the rest of Canada. There is also the split between

Quebec-and the rest of the at. Mr. Clark had preferred to Mr. Trudeau proposed that country which lives on agricul- leave the business of resisting FIRA should have the additional In the case of Quebec another ture, fishing, and primary

Mr. Trudeau has said that he

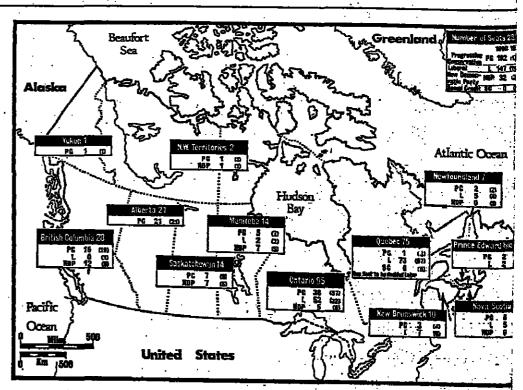
heir own.

to the West—not the first time backed the Tories, Mr.
Traditionally Liberal, they he has undertaken to do so in Trudeau's overall majority has gave Mr. Trudeau's party all but his career. If the West will not prevented what business feared For the defeated Mr. Clark, one of Quebec's 74 seats so far listen, the coalition which put most — a Liberal minority Mr. Clark into office last May propped up by the New Democould be revived. It consisted of the West and

and another in provincial vaguest of terms. Powers politics. Mr. Trudeau's return already exist to forbid new federalists there.

Mr. Trudeau has stationed the in market forces might have become unavoidable. As things stand, Mr. Trudeau conducted The Liberal triumph in his campaign in such a manner

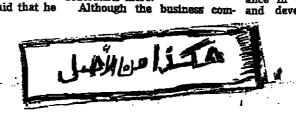
Quebec separatism to the right to monitor the performdevelopment of foreign-



owned companies, but was care- Tories had increased

ful not to propose specific new defence estimates by about yet to be seen. But Mr. True 18 per cent. Mr. Trudeau, not Foreign policy as such played always a friend of NATO, did only a tiny role in the election, at least say that he would but it is remarkable that all honour the undertaking given honour the undertaking given three major parties rendered at to the alliance to raise defence ance in exports and research the very least lip service to in- spending by 3 per cent in real creased defence spending. The terms annually.

What actually happens does appear to have deemi right to take account of a of Canadian public opi towards closing ranks with U.S. after the challenge Afghanistan.



er calle

Govern

Upset in

A CALCAN

# HOW GAN WE EXPEGT HIM TO LEARN WHEN ME HAVENT TAUGHT HIM HOW TO LISTE

It's ironic.

We teach children how to read, write and do arithmetic, but we don't teach them the skill they need most to learn.

How to listen.

(Most of a child's listening education consists of admonitions like "Pay attention!", "Open up your ears!," "Listen!")



And listening does need to be taught. It's a difficult, intricate skill. And like other skills, it requires training. And practice. In the few schools where listening programmes have been adopted, listening

comprehension among students has as much

as doubled in just a few months.

We at Sperry are concerned about the listening problem. As parents. And as businessmen.

Denied a proper listening education as children, adults listen-according to researchat a pathetically low 25% level of efficiency.

And as a worldwide company with more than 88,000 employees, that's simply not

efficient enough for us.

Which is why we've taken listening education into our own hands.

Listening has been a part of many Sperry training and development programmes for years. And we've recently set up expanded listening programmes for Sperry employees worldwide. From sales representatives and computer engineers to even the Chairman of the Board.

These programmes are making us a lot

better at listening to each other.

And when you do business with Sperry Univac, or any of our other divisions, you're going to discover that they're making us a lot better at listening to you.



We understand how important it is to listen.

Sperry is Sperry Univac computers, Sperry New Holland farm equipment, Sperry Vickers fluid power systems, and guidance and control equipment from Sperry division and Sperry Flight Systems.

How good a listener are you?

Write to Sperry, Dept FT20/2, 78 Portsmouth Road, Cobham, Surrey KT11 1JZ for facts on listening and a quiz that's both fun and a little surprising.

### Toyota to control its sales to U.S. Italians sell | UK synthetic fibre exports up

Japan's biggest auto producer. will hold its 1980 exports to the U.S. about last year's levels and

move is in direct response to A company official said yes-terday that the export levels and price increases would be based entirely on production capacity, inflation and other economic factors.

Mr. Eiji Toyoda. Toyota's U.S. president said in Osaka on Monday that the concern would hold lower its exports to the U.S. to about Douglas Fraser, the head of the talking with the major Japanese

W. German

decline 40%

WEST GERMAN marine ship-

yards delivered 142 vessels

(432,000 gross registered ton-

nage), worth a total of

DM 2.3bn (£575m) last year

-a drop in turnover of almost

40 per cent. But new overseas

and domestic orders seem to

be picking up significantly, thanks to high demand for

freighters, container vessels and roll-off, roll-on ships.

This cautiously optimistic

picture emerges from figures

released in a sectoral report

by the Deutsche Bank, which

predicts that orders for bulk

carriers could also rise because of the increase in

grain, coal and ore shipments.

With new orders outstripping

deliveries at the end of last

year, capacity use-currently

about 70 per cent-is likely

to improve in the coming

Production is expected to rise

by about 3 per cent this year

because of the improved

order books. Last year's pro-

duction, by contrast, was 5 per

dangers to the domestic in-

dustry come from the increase

in direct and indirect subsi-

dies to foreign shipyards.

The West German yards,

burdened by high production

and labour costs, will meet

sharpening competition from

against the dollar has posed

dollar denominated while out-

goings are almost always in

West German currency.

The Bank warns that the

cent down on 1978.

months.

ship sales

By Roger Boyes in Bonn

U.S. to "level off" at the same amount as in the previous year. Industry observers said this American pressure to curb its has been Toyota's position on penetration in the U.S. market the controversial expert question at least since the first of

> Mr. Toyoda's comments fol- said. lowed the visit last week of Mr.

Fraser received no commitments from Toyota and Nissan—plant in Ohio within two years.
which makes Datsun vehicles—He quoted officials of Nissan

Douglas Fraser, UAW president Agencies

He spent last week in Japan

610,000 units, the same as in U.S. United Auto Workers auto companies and government 1979.

Union, who urged Japanese officials concerning the possitive company had said earlier auto makers to restrict exports bility of building Japanese car it expected its 1980 exports to and open production facilities plants in the U.S. He said he was told by Honda that the company hoped to build a car

He quoted officials of Nissan on establishing plants in the as saying that Nissan would U.S. but both companies said build a truck plant in the U.S. the year. On January 8, Mr. they would be "prudent" in some time in the future. When Nobuji Araki, the executive their exports. they do, they will buy enough Vice-President said that the Honda Motors of Japan plans land to build a car plant if the company "hopes to maintain the to build a car assembly plant truck plant is successful, he 1979 level" of exports to the in Ohio within two years, Mr. said.

Toyota Motor Sales targets up,

### Size of world ferry fleet rises

BY WILLIAM HALL, SHIPPING CORRESPONDENT

increase in the size of the world's fleet of roll-on/roll-off (ro-ro) freight ferries over the past few years.

In terms of tonnage, 60 per cent of the world fleet has been built over the past three years. The fleet will be expanded by another third once freight ferries on order are delivered. The growth in the size of the pure freight ferry fleet coincides with slower growth rate of the passenger/car ferry fleet—the

ships which pioneered the ro-ro

revolution. Because of increas-

ing specialisation many of them

According to figures published in the Fairplay Guide to Ro-Ro Shipping, 1980, there are 942 ships totalling 6.6m dwt in the world fleet. There are a further 483 passenger/car ferries. aggregating 2.7m gross registered tons.

There are another 211 ro-ro ferries on order (2.0m dwt) and 63 passenger/car ferries (0.6m

Fairplay says that one of the most important reasons for the tremendous growth of the ro-ro fleet in recent years has been

THERE HAS been a dramatic are being replaced by ferries the ship's flexibility and suitawhich carry nothing but freight. bility for servicing markets in the early stages of development before they are containerised. Ro-ro ships were brought on to the Middle East routes initially to relieve congestion brought about by the import boom of the mid-1970s. South America, the Indian sub-continent and East Africa are the next areas likely to be penetrated by ro-ro

The Fairplay Guide to Ro-Ro Shipping 1980. Price £30 UK. £32 Overseas. Fairplay Publications, 52-54, Southwark Street,

### JBE wins orders worth £21m

BY RAY PERMAN, SCOTTISH CORRESPONDENT

JOHN BROWN ENGINEERING vesterday announced UK and export orders for gas turbines worth £21m, and is in line for a further £7.4m contract to supply engines to Sri Lanka.

The Clydebank company had a poor year in 1979, when world demand for gas turbines dropped by 10 per cent on the previous 12 months. JBE took in only £22m in new

work, and had to make 460 men value of sterling, particularly

the promising number of inquiries now being received have given the company confidence to go ahead with the advance building of a number of turbines, including a new 100 MW model, which will be the

largest in its range.

Last year the rise in the UK inflation rate and the higher

#### CGE in joint S. Africa venture

BY BERNARD SIMON IN JOHANNESBURG

CGE, THE FRENCH electrical engineering group, has set up a overseas producers. The strength of the Deutsche mark joint venture with Altech, South Africa's largest electronics supplier, to make electronic an additional problem for the digital telephone systems for terms of two 15-year contracts, the South African Post Office. ITT has a minority stake in signed, and the other due to be

The joint company, to be known as Telecommunication Technologies expects to supply about R60m (£31.85m) worth of equipment a year to the Post Office in one of which has already been concluded next week.

against the U.S. dollar, made redundant in December. against the U.S. dollar, made But the good start to 1980 and JBE less competitive internationally. In Middle and Far-Eastern markets, there was intense competition from U.S. manufacturers, who were compensating for a fall in their domestic demand.

> But the company has secured an £8.5m follow-on order for five 25 MW generating sets for the Aluminium Bahrain power station, to which it has already supplied 19 units.

JBE has also won contracts for three 25 MW generating sets for BP's Magnus oil field, bringing the total number of plat-form-mounted units supplied by the company for North Sea fields, to 29.

Reports from Colombo also

been received.

ndicate that the company will be awarded a £7.4m contract to supply three turbines to the Sri Lanka State electricity board, but no confirmation has yet

off cover to Turkey as a result of its failure to make the

### £150m plant to China and India

ITALIAN companies yesterday announced major orders in India and China for power stations and chemical plants, worth in all \$350m (£150m).

In India, Ansaldo-AMN, a subsidiary of the Finmeccanica group, recently entrusted with overall responsibility for Italy's delayed nuclear power station programme, has won a \$150m contract to build a 600 MW coal-fired station in Ramagundam in the state of Andhra

Pradesh: The order has been placed by the National Thermal Power Corporation of New Delhi. Work on the project, which consists of three 200 MW units, will take four

Financing for the deal has been organised by the World Bank, and is part of an overall Indian Government programme to instal 18,000 MW of new electricity generating

capacity
Meanwhile ACTIP, the international engineering and planning subsidiary of Bastogi Holdings, has won a \$200m order to design and build a complex of seven petro-chemical plants near Peking. The order has been placed by the Yan Shan Petrochemical General of Peking.

#### **Anglo-Turkish** chamber aims to cut red tape

By David Tonge AN ANGLO-TURKISH Chamber of Commerce and Industry is being set up in London. The initiative comes as Turkey is seeking to attract foreign investment through changes in legislation.

Mr. Yuksel Soylemez, the Turkish Consul General, said yesterday in London that a working group was now drawing up the statutes of the new chamber which would cover business in Northern Cyprus, as well as Turkey and the UK. It aims to facilitate investors and do away with the bureau-cratic problems which have discouraged many business-

In the first ten mouths of 1979 UK exports to Turkey totalled £77.3m (\$177m) while UK imports were £34.5m (\$79m). Exports were 6.4 per cent higher than in the same period of 1978 but imports were 19 per cent lower. The British Export Credits Guarantee Department is still

foreign exchange transfers to cover imports guaranteed by the ECGD.

in 1978 and 17 per cent more than two years ago. The export The production figure of proportion of total deliveries rose to 47.8 per cent, compared of the last two years also has with 43.6 per cent in 1978 to be compared with the peak according to figures published figure of 728,000 tonnes in 1978.

BRITAIN'S man-made fibre by the British Man-made Fibres' the year of the last major

earlier:

BRITAIN'S man-made fibre industry, which yesterday won limited EEC protection from cheap U.S. fibre imports, last year increased its own exports to nearly 50 per cent of output.

The industry, which has been under severe pressure in the home market as a result of the decline in domestic textile production and increased direct and indirect fibre imports sold 282,290 tonnes of fibre overseas: tion dropped by 7.4 per cent of taken by synthetics—the oil-based products. The proportion of total UK output.

The year of the year of the textile boom.

The 1979 figures also reveal that filament year—the sector in which the Americans have concentrated their export effort concentrated their export effort on the production at 596,310 tonnes were declined still further as a production at 596,310 tonnes was a relatively program for the industry. Total deliveries in concentrated their export effort on the production at 596,310 tonnes were declined still further as a production at 596,310 tonnes was a relatively proor fourth on the production at 596,310 tonnes was a relatively proor tonnes were declined still further as a proportion of total UK output. Its share, which stood at 43 per cent in 1977, was down to say a relatively proor fourth of the first production at 596,310 tonnes was a relatively proor fourth of the first production at 596,310 tonnes were declined still further as a proportion of total UK output. Its share, which stood at 43 per cent in 1977, was down to say a relatively proor fourth of the first production at 596,310 tonnes were declined still further as a proportion of total UK output. Its share, which stood at 43 per cent in 1979, and proportion of total UK output. Its share, which stood at 43 per cent in 1979, and proportion of total UK output. Its share, which stood at 43 per cent in 1979, and proportion of total UK output. Its share, which stood at 43 per cent in 1979, and proportion of total UK output. Its share, which stood at 43 per cent in 1979, and proportion of total UK output. Its share which the tion taken by synthetics was down to 64 per cent compared with 67 per cent in 1978. The cellulosics have become more competitive again as a result of the rise in oil prices.

### **Customs valuation**

BY BRIJ KHINDARIA IN GENEVA

The Tokyo Round code on customs valuation goes a long way towards ironing out some of the difficulties in this area between the EEC and the U.S.

each country was free to decide the criteria it used to calculate the value of imported goods for customs purposes when there was doubt about the value stated in the invoice.

The earlier rules also allowed countries with customs legislation dating before GATT was concluded in 1948 not to alter their legislation to conform with GATT requirements. As a result governments developed ? wide variety of customs valua-tion techniques, including the "American selling price"

method. The main problem between the EEC and U.S. arose from this customs valuation system used by the U.S. Administration. Under the American Selling Price system the amount of customs duty was calculated on the basis of the selling price in the U.S. of an identical or similar product manufactured in the U.S. rather than on the invoiced import price. The Tokyo Round code puts an end to this system as it does the previous U.S. "Wine gallon" method of assessing customs duties and internal excise taxes on imports of distilled spirit. Under this system, which brought protests from Scottish and Irish whisky exporters as well as European cognac, rum

and other spirits exporters, duty and taxes were charged on bottle capacity rather than alcohol content. To escape this ssessment more and more spirits were imported into the

of bottlers elsewhere while unnecessarily high prices.

The new code will bring more uniformity to customs valuation methods of signatory countries. The aim as stated by the GATT Secretariat is "to provide for a while meeting certain Third fair, uniform and netural World demands. system for the valuation of Under previous GATT rules goods for customs purposes that precludes the use of arbitrary or fictitious customs values and

which conforms to customs realities." The code, which interprets and clarifies Article VII of the General Agreement on Tariffs and Trade (GATT) lays down five methods of customs valuation which must be used in sequence—if the first method does not provide the correct value for customs purposes the second method must be used

and so on. Under the first method customs authorities would accept the value stated on the invoice as being the price actually paid after adjusting for commissions, packaging and similar costs.

If there is no invoice or there is doubt about its authenticity, customs officials must take as the starting point the transaction value of identical goods sold under fully competitive condi-tions to the same country at about the same time.

If this method cannot be used the next one provides for assessment on the basis of the trans-action value of similar goods. If all three of these methods cannot be used then customs authorities may choose between

ing from the price at which the which could influence customs imported product will be sold valuation. The Canadians are

U.S. in bulk and then bottled in culate "a computed value" not want to enforce new cus-the U.S. This, foreign suppliers which consists of material and toms valuation methods before claimed, protected the U.S. manufacturing costs, profits and the tariff levels have been bottling industry at the expense general expenses for the goods agreed. These negotiations general expenses for the goods being valued. Using this method U.S. consumers who wanted to will be difficult if the producer buy, for instance, Scotch whisky cannot or does not wish to probottled in Scotland had to pay vide the information needed for custom valuation code's provithe calculation.

### TOKYO ROUND CODES

When all five methods cannot be used then the customs value will be determined by "reasonable means consistent with the principles of GATT and its Article VII on the basis of data available in the importing

country. The code allows developing countries not to apply its provi sions for up to 10 years. It also permits them to demand proof from an exporter, especially if it is a multinational company, that the value stated on the invoice is the real cost price rather than the value of an identical product made by subsidiary in a lower cost Third World country.

Although negotiations for the code are complete it will not come into force until January 1 next year because participating countries must first make the necessary changes to their exist-

ing domestic rules.

Both the U.S. and the EEC have signed the code but reserve the right to withdraw. if Japan does not. The Japanese Government is still uncertain because it must get approval from the Diet (Parliament) which does not meet until later this spring.

Canada has signed the code but it will not be applied until either of two further systems. January 1, 1985 because the Under the first the customs Canadians want certain changes value would be calculated start- in other GATT provisions and subtracting all expenses also currently negotiating the linked to its sale. tariff cuts to be applied inked to its sale. tariff cuts to be applied. The fifth method is to cal-bilaterally with the U.S. and do agreed. These negotiations could be concluded in about two years, in which case the Canadians would then apply the sions before 1985.

# CINANCIA

#### FIRST CITY NATIONAL BANK OF HOUSTON

	December 31			
Financial Position (In Thousands)	1979	1978		
Total assets	\$ 6,196,695	\$ <sup>.</sup> 5,219,914		
Deposits	4,783,904	4,099,699		
Loans, net	2,787,384	2,278,810		
Shareholder's equity	264,498	236,965		

#### FIRST CITY BANCORPORATION OF TEXAS, INC.

Financial Position (In Thousands)	1979	1978
Total assets	\$ 9,504,717	\$ 8,112,842
Deposits	7,597,333	6,559,516
Loans, net	4,497,802	3,803,004
Shareholders' equity	449,438	389,281
•		ear Ended aber 31
Operating Results	1979	1978
Income before securities transactions Per share	. \$70,045,000 5.46	\$56,944,000 4.55

Net income Per share

68,478,000

55,487,000

December 31



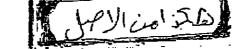
# The international bank with special expertise in Saudi Arabia

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The changes are small. But they're real enough. And sadly most are not changes for the better.

tisein

Not very long ago, we saw ourselves, as everyone else does, as a first-class nation. Now we seem to have lost our belief in ourselves. And it's beginning to show.

20 years ago, our living standard was one of the highest in Europe. Now it's just about the lowest.

The reasons for this are complex. And it's far too easy to sit around arguing amongst ourselves over where we've gone wrong, rather than start trying to put things right. problem has become.

One of the most immediate and certainly most effective changes we can make is to correct the curious attitude we have towards imported manufactured goods.

The British customer is just about the only one in the world who actually seems to prefer to buy a foreign product, rather than one made | industry. at home.

There can of course be valid reasons for buying imported goods. It's sometimes hard to find a British made product among all the foreign alternatives.

Which only goes to prove how serious the

But far too often, a British made product which in many cases is as good as any in the worldand recognised as such in other countries has a bad name in Britain just because it is made in Britain.

And this is particularly true for the motor

As the only British owned volume car maker, BL directly or indirectly supports some 2 million people.

It has a heavy investment of public money, the fruits of which are now beginning to come through.

The new Mini Metro and the Leyland T45

truck are just two examples of many exciting new products.

BL certainly has a tremendous amount to gain from a positive shift in attitude towards the British buying British.

But the problem sweeps right across the nation. It affects the whole of manufacturing industry.

And make no mistake. It affects you, and your own way of life.

So next time you set out to buy anything, but especially a motor car, take a look at the British made product first. Then, if it doesn't suit you we'll be surprised. But we'll have no complaint.

ISSUED MAINLY IN THE INTERESTS OF BLBUT ALSO ON BEHALF OF BRITISH MANUFACTURING INDUSTRY.

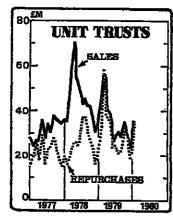
### **Credit** squeeze. hits Trusts

BY TIM DICKSON

UNIT TRUSTS got off to a disappointing start in 1980, judging by sales figures released yesterday by the Unit Trust Association.

New sales in January at £35.5m were the highest since last May but repurchases (units cashed in) were also high at £34.36m, leaving net new investment of only £1.13m.

January's results continue a pattern established in the second half of 1979 of unexciting monthly sales often virtually wiped out by disappointingly high repur-



November last year units cashed in actually exceeded new sales, an outcome only averted in January this year through the initial launches of four new unit trusts which between them brought in something approaching £5m.

In the present climate of high interest rates and high return products I am not sur-prised by these results," Mr. Cholmeley Messer, chairman of the Unit Trust Association umented yesterday. "Sales are reasonable

though I would like to see them higher while the level of repurchases is undoubtedly disappointing. I would attribute this both to the credit squeeze, which has left many investors short of cash, and to some of the unhelpful Press comment which the movement has had recently."

Nonetheless Mr. Messer remains optimistic that the position will improve in 1980.

# Five sites in South West considered for nuclear plant

BY MAURICE SAMUELSON

nuclear power station in Cornwall or Dorset were named yesterday by the Central Elec-tricity Generating Board.

Investigations of the sites will start in the spring, and are expected to be completed within two years. They are in some of Britain's most attractive countryside, and are likely to arouse strong objections from the environmentalist lobby.

If it is unable to build a nuclear station at any of the sites, the CEGB proposes to put a coal-fired station near Plymouth, at a site originally acquired for an oil-fired station. Another proposal would be to link the area by a new 90-mile transmission line to other parts of the national grid,

CEGB officials noted that the environmental problems caused by a new coal-fired station would be far worse than those of nuclear plants, as strong south westerly winds would blow the emissions into the centre of Plymouth. The nuclear power stations already in the region enjoyed good relations with local inhabitants, the officials

Two of the proposed nuclear sites in Cornwall are at Gwithian and Nancekuke on the

FIVE POTENTIAL sites for a inland at Bugle, near St. three small and ageing power would seek to acquire that for The two Dorset sites are at

Winfrith Heath, where there is already a nuclear power station, and at Herbury, in agricultural land designated as being of outstanding beauty, and near Chesil Beach, the nine-mile ridge of pebbles stretching from Portland to Abbotsbury.

Announcing the proposed sites, the CEGB said the Government had already agreed with the need to order at least one nuclear power station a year in the decade from 1982. The site for a coal-powered

plant would be at Inswork Point near Plymouth, originally acquired for an oil-fired station, but for which the Labour Government withheld approval two years ago on grounds of national energy policy. The site does not meet Government station, and will be reassessed as a possible site for a coal-fired power station, with coal delivered by sea.
The CEGB says it hopes to

select a site for a power station which would safeguard electricity supplies in the South West peninsula while keeping the need for building transmission lines to a minimum. In addition, it will consider

stations—the oil-fired stations at Plymouth and Poole, and the coal-fired station at East Somerset, there is Hinkley Point "A," an early Magnox Yelland, near Barnstaple.

The board promised to consult local authorities, including county councils, and said it welcome the views of other interests and the public.

Although only one new power The off station in the South West is Dorset being proposed at present, Mr. Total environmental grounds, "we demand.

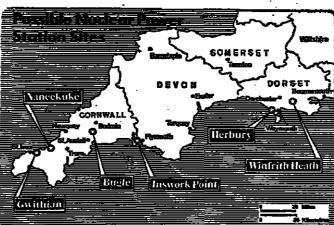
The other is at Winfrith Heath, Total peak demand in the area Mike Gammon, of the CEGB's during the winter of 1978-79 was planning department, said that more than 2200MW. In recent if more than one site proved to years, it has been growing faster be suitable on technical and than the national average peak

power stations in the area... In

type, opened in 1965; and Hink-ley Point "B," an advanced gas-

cooled reactor (AGR), which

has been operating since 1976.



### Public relations 'affect waste plans'

BY IAN BREACH

Servant admitted yesterday that "non-geological factors" have been considered by Government departments in the search for suitable sites to store the irradiated wastes from nuclear

Yesterday was the first day of the public inquiry at Ayr at which the United Kingdom Atomic Energy Authority is apealing against local authority refusal to grant planning permission for test-drilling at Mullwarchar Hill, near Loch Doon in south-west Scotland. Mr. William Scott, Under-Secretary at the Scottish Development Department, which acts as the agent for the Scottish Office, said public relation played a signifi-cant part in determining nuclear waste disposal policy.

"To take it to its absurd reports are being analysed, and generally. Asked if-that would be the

case even if conditions were geologically appropriate for burying treated nuclear waste, Mr. Scott replied that in a city there would be problems of dis- Cumnock and Doon. But opposi- a wider programme dealing rupting sub-surface facilities tion, unlike at Windscale three with the possible storage of and of generating "complaints years' ago, also comes from classified nuclear wastes on or about noise, and so on."

remained flexible, he said. No South. Ayrshire, Tory MPs decision had been taken on the Michael Ancram, Edinburgh disposal of highly radio-active South (who represents Scotland wastes underground. It would on the House of Commons The inquiry is chaired by be at least a decade before sites Energy Committee) and Ian Mr. William Campbell (known were chosen, if they were, Lang, Galloway, all oppose beneath mainland Britain. either the test drilling or the

cluded one at Altnabreac, near cludes discussion of nuclear ex-Caithness, from where drilling pansion and energy policies islands.

level, you wouldn't drill in the in the Cheviots where planning centre of a city," he said.

mainly from two district coun-cils—Kyle and Carrick, and research on land was part of MPs from the main parties, beneath the ocean beds. That George Foulkes, Labour MP for programme may well be elab-Sites already designated in- terms of the inquiry, which pre-

Mrs. Brenda Carson, branch permission has been refused by organiser for the SNP, called Northumberland County Counties the inquiry "an expensive farce," but promises that the The objections in Ayr stem party's lawyers will be there

orated today in expert testi-mony submitted on behalf of the UKAEA.

in Scotland as a "reporter") who led the inquiry in Orkney two years ago into whether uranium can be mined in the

### Plan to simplify **'16-plus'**

By Michael Down, Education Correspo

GOVERNMENT MOVES to develop a simplified system of 16-plus examinations, with GCE Ordinary levels as its main "quality-control," were announced yesterday by Mr. Mark Carlisle, Secretary for Education and Science. The plan, to substitute a single examining system for

the present everlapping com-bination of O levels and the "less academic" Certificate of Secondary Education, will depend on general agreement among the various educa-tional interests. The Government hopes to introduce the change in five to seven years. No name has yet been chosen for the replacement system, which will have seven pass grades. Of these, the top three will remain under the control of the GCE examining Boards, and so will equate with the present three Ordi-

C).
The remaining four grades will be broadly equivalent to the present CSE grades two

nary-level pass grades (A to

In most subjects there will be a choice of papers of varying difficulty, with the award of the highest grades restricted to candidates who take the hardest. Wherever possible, however, all pupils will take at least one common

paper.
The eight GCE examining boards are being asked to collaborate with their 13 counterparts for the CSE exams in drawing up national criteria by which the new system can be made more

The aim is to reduce the 30,000 different 16-plus exam syllabuses by about half. The Government is also hoping eventually to persuade the 21 different exam boards to merge into about five joint bodies, each with an element drawn from the GCE sector and another from CSE. Attempts will also be made

to make the award of the exam grades at least partly dependent on the attainment of specific levels of knowledge er skill in subjects, instead of on how well or badly a particular candidate performs by comparison with the other



"Bebbers" unload a catch. They are among 5,000 Hull

## Hull fish docks facing closure

BY RICHARD MOONEY

major fishing port, may have landed its last load of fish. The Fishing Vessel Owners' Association, which provides dockside services at the port, announced yesterday that it had ceased trading. An extra "We are not expecting any ordinary meeting of the asso-ciation will be held on March 7. tion said." when a resolution will be put that it should go into voluntary liquidation. Mr. R. K. Dalton. the association's secretary, said he was confident the resolution

would be passed.
Without dockside services such as unloading, dry-docking and engineering facilities, the port could not operate. It is now up to the British Transport Docks Board, which owns the dock, to decide whether it should be shut down altogether. The board chairman will meet vessel owners' president today to examine possibilities for keeping the port going, but

no one seems optimistic. "It is virtually inconceivable that anything can be done to save the port," the British Fishing Federation said yesterday. The association could no longer pay the £120,000 a month rent charged by the board, which was required to run the port as a viable operation.

Only about 20,000 tonnes of fish were expected to be landed this year. So the association was forced to raise its wharfage charge to £51 a tonne, compared with about £6 at other commercial ports. Not surprisingly,

traditionally Europe's trawler owners objected and re-Only a massive injection of public funds could keep the part alive now. Given Tory policy on "lame ducks," It is unlikely to be forthcoming.

Hull's dependence on distant water vessels such as freezer trawlers has been its downfall. It is this sector of the industry which has suffered most from loss of access to Icelandic and

other waters following the general switch to 200-mile national limits. But Mr. Dalton said the port could have survived if the Government had taken a less stringent attitude to EEC fishing regulations. "We have abided by the letter of EEC law, while our EEC partners have done just the opposite," he complained

He also thought the Govern ment should have provided finance to keep the dock going The association announced on Monday that it had laid off its 113 "bobbers"—dockers who unload fish-and the federation estimated that between 3,000 and 5,000 people could lose their jobs if the port ceases opera-tions altogether.

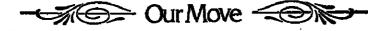
Mr. Peter Walker, Agriculture and Fisheries Minister, said yesterday that he regretted the latest developments at Hull. He said he was considering measures to alleviate British fishing industry difficulties.

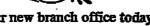
Dan-Air bid

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### Councils respond to call for borrowing over longer term

BY DAVID MARSH

raising funds on a longer-term per cent from 7.6 per cent. basis in response to a Government request that they reduce their reliance on shorter-term

Statistics released yesterday by the Chartered Institute of Public Finance and Accountancy show that only 18.4 per cent of local authority debt outstanding on March 31 last year was due to mature within one per year. This compares with a cent. proportion of 28.2 per cent two

of sales will be of domestically

produced, rather than imported vehicles, Sir Terry Beckett, Ford UK's chairman, said

The company plans shortly to

introduce a second shift to raise production of the Fiesta at

Dagenham from 70 to about 170

day. The best-selling Cortina

is already produced on a two-shift basis at Dagenham, but

Sir Terry said scope existed for

its output also to be increased.

LOCAL AUTHORITIES are borrowings has increased to 12.3 Total local authority debt on March 31, including capital fund

advances, stood at £34.85bn. This was a rise of £1.73bn, compared with the previous year, of which changes in definitions accounted for £375m.

Housing sites, building and mortgage loans represented 67.7 per cent of the total, with education debt comprising 12 per cent and highways 4 per

The total debt per head of

FORD intends to take 32 per production should come in the for by the effects of the lengthy cent of the UK car market this autumn, when Halewood strike in late 1978 which left year and a higher proportion switches over to making the Ford UK very short of domestic-new front-whiel drive Escort produced models earlier to the

new front-wheel drive Escort

Ford's expected market share increase is from 28.3 per cent last year, when it sold 485,559 cars in the UK. But because of

the market's expected shrinkage from a record 1.71m units to

11m this year, Ford expects its

roughly unchanged. Last year just under 50 per

cent of sales were of cars from

European plants. However, to

(known as the Erike during its year.

Ford aims for 32% of UK market

up borrowings per head of less than £60. Government statistics for the current financial year, which

are less complete than the Institute's figures, show that local government new borrowing totalled £937m during April to September last year, three times the 1978 figure.

Figures for corrowing in the the total public sector—central and local government as well as public corporations—are due to be published tomorrow. Higher proportion of 28.2 per cent two years ago when the Government and local authorities worked out a code of practice to lengthen the maturity structure of outstanding debt.

The share of debt to be repaid during the fifth year of the curses. The total debt per lead of the population last March was than planned local authority borrowing is one of the reasons why the Treasury expects that biggest borrower, with a debt the public sector borrowing per head of £298. At the other requirement for the current end of the scale, Durham, Salop financial year will be nearer and West Sussex had all built fight to be repulsioned tomorrow. Higher the population last March was than planned local authority borrowing is one of the reasons why the Treasury expects that biggest borrower, with a debt the public sector borrowing requirement for the current end of the scale, Durham, Salop financial year will be nearer

produced models earlier in the

siderable improvement in its record on disputes. Sir Terry

yesterday remained critical of

productivity in Ford's UK factories.

taking 60 per cent to 90 per cent longer than in its Euro-pean plants, he declared. "We

are not making the progress we

should be in productivity—it is

While Ford has seen con-

### By Lynton McLain

to offset

fare rises

line owned by Davies and Newtravellers the chance to take wives or husbands on domestic flights at half the full fare from

April. Similar schemes are operated by airlines, including British Airways, in Europe. But Dan-Air said yesterday that it was the first to offer "spouse fares" for UK flights.

Prospective users would book flights as a married couple but would not be expected to show that they were bona fide business travellers.

The proposal is one of a series of fares changes sought by the airline in applications to the Civil Aviation Authority. machine 44 ---- 8 on 8 The object is to counter the fares increases which airlines expect to introduce in the

summer to match rising fuel Other proposals include a 'supersaver" fare for all domestic routes to replace the

in advance would be dropped, but passengers would have to stay away for a Saturday night. The other main proposal is for a "latesaver" stand-by ticket, on the London-Newcastle service only, and costing £22 single against £39.50 for the

#### SDLP accuses Government

LEADERS OF the Social Democratic and Labour Party, the main Roman Catholic grouping in Northern Ireland, met Mr. Humphrey Atkins, the Ulster Secretary, again yester-day for another round of "parallel talks" which enabled the parties to bring up issues ruled out of the agenda for the constitutional conference.

. The SDLP presented a document on cross-border co-operation with the Dublin Gov-ernment in which it accused the British Government of dragging

ment, and in particular Northern Ireland civil servants, did not support cross border cooperation were well founded, it alleged, saying that "a recent report for the economic and social committee of the EEC suggests that civil servants are less enthusiastic about imple-menting the cross border programme than about other

#### **HJB Plastics** More oil companies raise cuts workforce By Sue Cameron, Chemicals Correspo

HJB PLASTICS, part of the Courtaulds group, is planning to cut the workforce at its Leicester factory by half, with the loss of 128 jobs.

The company, which makes printed and unprinted plastic

bags and packaging film, said rising costs and weak prices were the main reasons for its decision to cut jobs and produc-

tion capacity.

HJB, a subsidiary of British
Cellophane in which Courtaulds has a 75 per cent interest, had decided that to maintain viability it would be necessary to reduce production and to concentrate on a smaller range of more specialised products.

### wholesale petrol prices BY SUE CAMERON

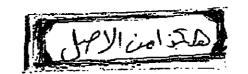
MOST oil companies have followed the lead set by Esso and Shell and increased the wholesale prices of their petrol by between 2.6p and 2.9p per gallon. BP Oil, National Benzole,

Mobil, Texaco and Total rises will take effect from the start of business today. The increases would normally mean an extra 3p or 4p per gallon growing fears of a petrol war, dealers will be forced to

If petrol stations do pass on the full increase, average prices are expected to reach

The companies said the increases were necessary ecause of the rise in the priceof North Sea and Organisation of Petroleum Experting Coun-tries' crude oil. Saudi Arabia and Kuwait have both increased their crude prices by \$2 a barrel to \$26 and \$27.50 a barrel respectively. North Sea oil has just risen in price by \$4 a barrel, making the price of Forties Field marker crude \$33.75 a barrel.

its feet. Suspicions that the Govern



# High interest cuts credit card lending

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE MAJOR credit card com- so as not to generate fresh this year may fall to materialise. pames have suffered a sharp demand for credit, rather than fall in consumer demand for face possibly tighter Governcredit since Christmas.

Barclaycard, the leading UK ability. credit card with nearly 5m card holders, last month suffered its card companies is that con- and non-food items. Both Tesco biggest-ever monthly fall in sumers are becoming reluctant lending to consumers. The to pay a true annual interest amount of outstanding debt in rate of 30 per cent or more. January was some £15m lower Analysis has shown that the prethan in the previous month. Budget buying spree last Although Barclaycard does not summer—and the late surge in reveal its monthly lending Christmas spending — were figures, the amount lent to con-largely financed by credit cards. sumers last year totalled about

money supply have led Barclay rather the card to stop granting personal mitments. loans under its Masterloan scheme and to scrup planned advertising—worth about £1m
—which might have increased

Access, the main credit card rival to Barclaycard, has also been hit by the fall in demand for credit since Christmas. It has also decided to cut back on

ment controls on their lending

The basic problem for credit

Thus card holders, now facing large mortgage repayments and At the same time, the Govern- other price rises, are having to ment's attempts to restrict the service their existing dobt money supply have led Barclay-rather than take on new com-

#### No spree

The sharp fall in the amount lent to consumers since Christmas means retailers can derive little hope of a recovery in spending led by the greater use of credit cards.

Some retailers were even in the Monopolies and Mergers its television advertising to suggesting vesterday that if Commission probe into credit restrict demand for credit, in credit remains difficult to obtain cards. It is suggested that it line with Government economic in the next few months-and if may recommend that retailers policy.

Both Barclaycard and Access streehed just to service higher to offer lower prices for each have decided it would be borrowings—then the tradiprudent to restrict advertising tional pre-Budget buying spree through credit cords.

Access, however, is seeking to increase its outlet through experimental schemes for supermarkets to accept Access cards for payment of both food and the Asda superstores group are carrying out trial schemes

of accepting Access cards. Previously credit card . companies and supermarkets had both been reluctant to allow the use of credit cards for food sales. They feared that bad ! debts on food might behigher than normal, but tests have shown that the bad debt ratio is no higher on food sales.

Although supermarket groups are still committed to providing their own "in-store" credit cards-which can be used only at a particular retailer—the move to accept Access cards as well suggests that the floating consumer is also being woord.

The credit card companies also face a longer-term threat

### Oil exports to EEC | Real spending cuts not 'expected to rise'

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil producers are expected to step up exports to Britain's Common Market partners, Mr. David Howell, Energy Secretary, said yesterday.

Lamenting the fact that the UK contribution to European Community energy supplies had not been fully recognised. Mr. Howelf said that Britain was leading the way in both fuel production and moderate pricing.

He told the Puel Luncheon Club in London that last year the UK sent over half its oil exports to Community partners. These exports accounted for about 28 per cent of Britain's total North Sea production — more than double the level in 1978. "We expeel file amount to continue to grow as our production builds up."

Mr. Howell said the econo-mies of EEC members and countries in the International Energy Agency had also benefitted from the moderate pricing of UK oil producers.

"We are Europe's leading energy producer; one of Europe's biggest energy energy Europe's investors. It is odd to hear overseas criticism for a performance which is one of Europe's best, especially when we have such a legacy of relative industrial weakness to overcome. We are doing very well indeed."

Mr. Howell's remarks were aimed in particular at France and Germany, which have been critical of the prices heing charged for North Sea oil. The British National Oil Corporation and other major producers have just set a new level of prices based on a reference base of oil from the Forties Field of \$33.75 a harrel-somewhat lower than rates being charged for competitive oil by Nigeria, Libya

and Algeria. "The moderation shown by BNOC, and other companies operating in Britain, in setting North Sea oil prices is an important calming factor in the forces shaping the world oil market," Mr. Howell

Even so, it must be recognised that the days of "cheap and easy" energy had gone. Realism about pricing was essential although the Government must provide financial help to those in peed.

• Mr. Howell fold the Commons the Government planned to provide a further 17m to the widows of miners who died from uneumoconiosis. It is estimated that up to 15,000 widows will receive additional lump sums of between \$300 and \$450.

# feasible, Pliatzky warns

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

a significant reduction in public expenditure was highlighted to revise the plans for 1980-81 raising char-overeday by Sir Leo Pliatzky, in last November's White Paper, programmes the former Treasury official ing spending under tighter control in 1976-77.

Secretary at the Department of reductions." Trade for two years before his retirement last year, discussed the prospects for public spending at a seminar organised by ing or reducing public expendi-stocktrokers Hedderwick Sterl-ture, rather than in terms of "To to be ing Grumbar and Co

He said that, after excluding financial items, "it was hardly feasible for the Government to show fresh reductions of £2hn or anything like it in the or anything like it in the common 1980-8! financial year, especially if it is not in a position to take credit for a major reduction in the UK's contributions to the EEC Budget. It seems unlikely that the Government will have any assurance on this by March."

Sir Leo noted the prospect that for the second year running an attempt will be made to use cash limits so as to apply a generalised squeeze on a wide range of public expenditure programmes. He said there could be problems in adjusting. ment will have any assurance on this by March."

strategy of stabilising total on manpower. change is made."

Sir Leo's comments under security.

line the problems faced by the "Therefore overall stability

Sir Leo, who was Permanent to finance significant further tax

He raised the question of whether it was "right to express the strategy in terms of stabilihorrowing containing the requirement with would feave a little more room both for financial and political judgment."

especially for these departments Looking further ahead, "the whose expenditure is primarily

expenditure appears no easier. Sir Leo stressed the difficulty and securing an absolute reduction still looks rather painful expenditure because within the Our obligations on defence and total some programmes have to the EEC are likely to become been expected to grow. These increasingly operous unless a are defence, EEC contributions. and order and social

Government in reducing public means that savings have to be

THE DIFFICULTY of achieving spending below current levels found in other programmes. in real terms after the decision either by cutting expenditure or to revise the plans for 1980-81 raising charles. Since the four He pointed out, for example, account for over £30hn (at congenerally credited with bring that "a generalised cash limit stant 1979 survey prices), the squeeze, and a war on waste, programmes from which savings will not produce enough savings have to be found total only have to be found total only £40bu on the same price basis. The incidence of these savings is particularly hard on a range of programmes carried out by local authorities including education and the personal

"To to beyond stabilising tend expenditure, and to effect an absolute reduction in real terms, will obviously be that much more painful and

#### Container trade soars at Bristol

CONTAINER TRAFFIC through Bristol's Royal Port-bury Dock container terminal is set to have doubled in its second full year of operation,

ending March 31. Swift, the terminal manager. says the single-borth terminaloperated by the Port of Bristol Authority — will reach or exceed the 22,000-container marks for it second year. This compares with 11,000 units in the year to April, 1979.

### **Ombudsman receives** 40% fewer complaints by MPs

BY ELAINE WILLIAMS

THE NUMBER of complaints referred by MPs to the Parliamentary Ombudsman—the Commissioner for Administrationin 1979 was 758, the lowest figure for six years..

In his annual report published yesterday Mr. Cecil Clothier QC, the Ombudsman, said the number of complaints was 40 per cent below that in 1978, which was a record year for complaints. This was partly because of changes in the law which reduced the likelihood

complaints were accepted for injustice," the report states investigation, compared with 25 One of the main problems per cent in 1978. Many were which confronted the Ombudsside the Ombudsman's jurisdice office was the extent of his tion, but 35 per cent were powers to apply and interpret improperly referred.

Of the 223 investigations completed in 1979 the highest number of complaints upheld by the Ombudsman was against the Department of Health and Social Security and the Inland Revenue. Of the 85 cases involving the DHSS, 57 were upheld. Of 52 complaints against the Inland Revenue, 30 were upheld.

The Ombudsman criticised some MPs for failing to refer complaints to him. "Perhaps they do not yet see my office as an investigative service at their disposal ready to their hand for In 1979 only 27 per cent of the pursuit and defeat of

rejected because they were out- man during his first year of

### Bed prices reduced to spur demand

BY JAMES MCDONALD

SLUMBERLAND—the bedmak- hold their prices steady for the ing subsidiary of the Duport spring buying season. group and among the top five British manufacturers in sizeis reducing prices to its stockists by up to 25 per cent.

Slumberland produces more than 250,000 divan sets a year in a price range "from mid-market upwards," said Mr. David Wright, the managing director, yesterday. He hoped stockists would pass the reductions on to the consumer to 'help stimulate sales." -

The company had been able to make the reductions without loss of quality mainly because of long-term advance buying of

THE Greater London Council has set up a trust to belp

preserve London's historic

The council has made an initial grant of £50,000 and promised another £50,000 in

the next five years to match other donations to the trust.

buildings.

There was also built-in ability

to increase output at the com-pany's Oldham factory to meet the expected extra demand. Asked if the bedding market

was sluggish Mr. Wright said "Sales of most consumer goods are not lively at present. But the decision really stems from meetings we had with our stockists last August and September. It was decided then that trade this year would be even more competitive and that value for money should be the 1980 slogan.

Bed sales were usually at their peak at Easter and Whitraw materials and the agree sun and then again during ment of major suppliers to October and Novemoer.

help them with restoration and maintenance. The trust

may also buy listed buildings

which are in need of repair,

renovate and sell them. This is a function not normally undertaken by local

Details of the trust are

undertaken

authorities.

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#### given in a report to be presented at today's meeting of the GLC's planning and The new body, called the Heritage of London Trust, will be largely independent of communications policy comthe council. It will make grants to property owners to 'Squat' vase fetches

Trust to protect heritage

surprise £26,000 nodded once again. In a minor sale of Islamic and Asian works of art yesterday at Christie's Elsewhere at Christie's Lot 203 was described as a glass Weiner paid £2,000 for a Pala vase, with a squar bulbous body grey stone stele of the 12th and a tall tapering neck. It was , estimated at £200-£300.

It sold for £26,000, plus the 11.5 per cent buyer's premium, to the Walton Street dealers Sheppard and Cooper. They had recognised it for what it was — a 13th-century

Islamic racity, made in Damas-cus or Aleppo, of which only century, and the same sum ten similar vases are recorded. Spink was also aware of its value and was the under-bidder. Sheppard and Cooper, bidding on behalf of a Swiss client, was prepared to go up to £30,000 to secure the item, and even if Jacob Spornberg, dated Bath Christie's has some egg on its 1792, sold for £1,000.

THE SALEROOM experts have face, at least it had a delighted vendor and a handsome commis-sion and premium on the sale.

SALEROOM

BY ANTONY THORNCROFT

secured an Ottoman silver inlaid metal armband. A Faberge square rhodonite desk clock, 2 in high, was bought by Blenheim for £1,200. while a pair of silhouettes by

White-collar group

### BL management plea to workers

BY ARTHUR SMITH

MR. RAY HORROCKS, manage prevent any intimidation or ing director of BL Cars, issued infiltration." This was rejected a personal appeal to Longbridge by the unions, who opted for workers last night to speak up their traditional venue, a against strike action at today's nearby park, instead

the dismissed convener.

Mr. Horrocks expressed con-Robinson's dismissal, a matter between the company and the as a whole," Amalgamated Union of Engi-

recognised that the AUEW members at Longbridge are not record at the plant during the prepared to support strike period in which Mr. Robinson action. It now appears there is was the convener. a danger that the AUEW may lose control of the situation, and there is a risk their been excellent During a lengthy members' views will not be tour of Longbridge yesterday I properly heard." was told time and time again

Mr. Horrocks said there was Union leaders will urge the a groundswell of opinion at 18,000 strong work force to Longbridge by employees who strike to secure the reinstate-wanted to work. "Austin ment of Mr. Derek Robinson, Morris cannot face an extended strike at Longbridge over this or any other issue. A decision cern that the issue of Mr. to strike is likely to determine the future of Austin Morris

> The company said it was con-Workers, had been vinced that it would be wrong to involve other to re-employ someone with Mr. Robinson's record of behaviour. No one at Longbridge needed reminding of that performance

Mr. Horrocks added: "Performance since his dismissal has The company offered to by the workforce how proud allow the meeting to be held they were of their current within the factory gates, "to performance."

#### Joint fight against Stansted

TWO COUNTY Councils are mentary level. joining forces to fight the threat The two authorities argue of Stansted being developed as that Stansted is unsuitable on

of Stansted being developed as that Stansted is unsuitable on planning grounds, both local hertfordshire and Essex are holding meetings with MPs who will mount opposition at Parlia
The two authorities argue argue and management was planned for last week. London's third airport.

The two authorities argue ment was planned for last week. but British Shipbuilders post-poned it till the end of this month, when a 90-day consultation at Parlia-international airport.

It says that in one industrial ment was planned for last week. but British Shipbuilders post-poned it till the end of this month, when a 90-day consultation at Parlia-international airport.

The two authorities argue ment was planned for last week. but British Shipbuilders post-poned it till the end of this month, when a 90-day consultation are planned for a planning grounds, both local but British Shipbuilders post-poned it till the end of this international airport.

#### Pay talks at London docks

resume

By Nick Garnett, Labour Staff

UNIONS AND EMPLOYERS involved in the strike at the London enclosed docks resumed full pay negotiations yesterday on the basis of arbitration proposals earlier in the day.

Members of the National Amalgamated Stevedores and Dockers have been on strike for more than a week in the enclosed docks over a 12 per

cent pay offer.
About 200 members in private container terminals and riverside wharves have come out in sympathy. Members of the Transport and

General Workers' Union have refused to cross picket lines. Workers at Wallsend slipway ship repairers imposed an overtime ban yesterday to force British Shipbuilders into early negotiations over the future of the Tyneside yard, due to go on "care and maintenance basis at the end of this month. Mr. Walter Hagen, of the joint shop stewards' committee, said the 280 men there decided

to act because the employers "forced our hands." A meeting between yard representatives and managefaces holidays row BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS of white-workers by 1983, and no holiday collar workers in the engineer-ing industry are preparing for The employers' The employers' federation a possible clash with employers says its aim is to see harmonisa over claims for longer holidays. tion of working conditions between manual and cierical wor Members of TASS, the clerical section of the Amalgamated

kers in the next few years. Its circular said that if holi-Union of Engineering Workers, day differentials were not mainare being urged to mount a "strong" union campaign tained, by 1983 manual workers' holidays would have been "harmonised" with 90 per cent against any move by employersto limit improvements in workof clerical staff in 93 per cent ing conditions, especially holi-days, in local pay bargaining. of member-companies.

If the differentials were main-

The union was reacting to what the Engineering Emtained it would make future harmonisation of holidays more ployers' Federation described costly and more difficult. yesterday as its recent "general The employers want differen letter of advice" warning its tials dealt with by salary, and 6,500 members against awarding improvements in working not by conditions of employment subject to harmonisation conditions which "would act against their long-term in-

terests."
These include maintaining Car removal holiday differentials between clerical and manual workers. cost increase The union claims in its latest newsheet that "such whittling away of differentials in condi-BIG RISES in the bill for

removing illegally parked cars from Britain's roads come into effect on March 11, Mr. Norman tions is the EEF's method of holding down the conditions of Fowler, Transport Minister, announced yesterday.

Motorists whose cars cause obstruction or danger on London roads will pay £29, up £7 on the current charge. Elsether the hill for roads will "The erosion of differences in basic conditions would take ment at present available to

where, the bill for removal will area of the country a local em-ployers' association has called be £2 lower at £27. But when a car is moved from a motorway it will cost the owner £30—up

# Water authorities to improve offer

BY PHILIP BASSETT, L'ABOUR STAFF

tomorrow to leaders of 33,000 manual workers in the supply and sewerage industry after informal talks earlier this week between union officials and the National Water Council.

employers' side secretary, at exploratory talks on pay on Monday night.

week and a similar meeting of or £8.4m, to 7.2 per cent, or the four unions' national officials, which drew together a size of the package to 20.4 per common approach on pay after cent. the surprise rejection earlier last week of the recommended 19.2 per cent pay package by delegates from the majority union in the industry, the General and Municipal Municipal

Workers'. In the light of the expected unanimity of the membership responses in the four unions to the 19.2 per cent, the water council recognises it will have to improve the offer. When it tables a bigger package tomorrow, though, it will make it clear that if has reached the

The first and most likely option stemming from the informal talks is to backdate payment covering a joint comparability report on pay and conditions between water workers and those in the gas and electricity supply industries The outline of tomorrows offer was put to officials of the four unions involved in the from its operative date under industry by Sir Robert Marshall, the 19.2 per cent package of chairman of the council, and February 1 this year to December of last year, the water workers' annual settle-

This would increase the cost The telks were set up after an on the industry's wages bill of employers' side meeting last the payment from 6 per cent,

> The package could be further improved, though, by about

WATER authority employers end of the road on pay for this another 1 per cent if the 13.2 will put an improved pay offer round.

The first and most likely original 19.2 per cent package rates resulting from the 7.2 per cent comparability payment.

This would take the overall size of the package to about 21.4 per cent, or just under £30m on the wages bill giving an overall improvement on the present offer of about 2.2 per cent or about £2.8m.

The second major option is to make the £5 broad-banded efficiency supplement agreed as part of last year's deal enhancable for bonus and other payments, while still maintaining it in its present form of essentially an attendance allowance. This would improve the stand-by and call-out pay-ments which provoked anger at the GMWU delegates'

### Strike will end hope of saving jobs, miners told

BY ROBIN REEVES, WELSH CORRESPONDENT

28,000 Welsh miners not to goahead with an all-out strike against the threatened rundown in the Weish coal and steel in-dustries was issued yesterday by Mr. Philip Weekes, the National Coal Board's South Wales

director.

Mr. Weekes was speaking on the eve of the miners' delegate conference in Porthcawl today, which is expected to endorse a call from the South Waies executive to join the steel workers' strike in protest at the threat of major redundancies, in both industries. The stoppage will probably start next Monday.

Mr. Weekes said that if the strike went ahead, "it will com-

pletely counteract the major efforts being made to save a large part of the market for coking coal. Our chances could be damaged irrevocably."

The recent decision to make £22m available from central-Coal Board funds to support domestic coking coal has safe-guarded 1.25m tonnes of South Wales sales to the British Steel Corporation and some 5,000 miners' jobs. The area had also supply 150,000 tonnes a year to exhausted.

A LAST-DITCH APPEAL to the Aberthaw Cement Company We are discussing ways and means of diverting coking coal into other markets to ensure we save pits and jobs. I earnestly urge South Wales miners not to damage these objectives, but to give us all a fighting chance," said Mr. Weekes.

Today's conference is due to be attended by steel workers' representatives from Port Talbot and Llanwern, where the Steel Corporation, as part of its crisis package, wants to halve production to 2.75m tonnes, creating 11,300 redundancies.

Port Talbot's strike committee has pledged that it will con-tinue the strike, even if the pay issue is settled, until it establishes job security. A similar recommendation has been made by Lianwern's strike committee. Although South Wales miners accept that the £22m subsidy

has eased the pressure on some jobs. the leadership is unim-pressed. Colliery closures are still threatened by the steel rundown and earlier BSC imported coking coal contracts. The National Union of Mineworkers' official policy is to oppose vigorously all pit closures just secured a new contract to except where reserves are

### **Manchester Steel** extends shutdown

FINANCIAL TIMES REPORTER

chester Steel which is said to be losing about £50,000 a day BSC strike, announced last night that production would not recommence. today, as planned, after a two-

This followed discussions with their ISTC shop stewards, who reported back on talks held in London with general secretary, Mr. Bill Sirs, on the problems affecting Manchester's biggest privately-owned steel firm. Both the men and the manage-

ment fear the Norwegian-owned plant will lose vital orders to the Sheerness steel works where employees are working normally in deflance of union instructions. All police leave in Kent has been cancelled for an expected invasion by 1,000 flying pickets invasion by 1,000 flying pickets at Sheerness Steelworks today.

Mr. Michael Gibson, Kent's Assistant Chief Constable (Operations), said outside the privately-owned Sheerness Steel plant today: "I do not presuppose there is going to be any violence. All we want to do is play it cool."

About 100 flying pickets

About 100 flying pickets yesterday descended on the private steel works at Bidston.

THE MANAGEMENT of Man-halt production. Most of the pickets turned up after the day-shift workers had arrived. Only a couple of workers refused to pass the handful of pickets who were at the main gate before

> Union members from Britain's biggest can maker—where half the workforce has been laid off. by the steel strike-lobbied the TUC yesterday with a demand to be allowed to work.

> Five coachloads of workers from the Metal Box Company at Neath, West Glamorgan, marched through London's Great Russell Street to TUC headquarters carrying placards and chanting ." We want to work.

Sir Richard Marsh, chairman of the British Iron and Steel Consumers Council, representworkforce of more than four million, said the dispute was providing foreign competitors, with foothelds in markets which have been ours."

Joint trade union council chairman Mr. Brian Milford said: "This is the fourth time we've been here to put our demands. But it appears they near Birkenhead, but failed to are being ignored.

even in areas where training

is going to be vital in the wake of steel closures.

"His supposed concern for efficiency clocks the reality of his work which is simply to

#### Union attacks Sir Derek

MRS. THATCHER'S special adviser on the elimination of Government waste was accused yesterday of damag-ing industrial relations, in the Civil Service.

The Society of Civil and Public Servants said that Sir Derek Rayner is producing reports on pet projects and getting ministerial decisions before recognised unions are

given a chance to comment.

The problem is all the more serious because in his enthusiasm. Sir Derek is creating idiocies out of ignorance," said the union.

"His proposal to pay social security benefits through banks has threatened the very existence of thousands of rural post offices and created a major Tory backhench revolt.

"He has managed to push through the closure of Govcut the Civil Service." Flowers say you care and remember. and the widest choice of wreaths and floral interfora florist. Flowers bring co

# for both clerical and manual £6. E BEEN NU MANAN FORTHRTY

both group's.

both groups,

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It's a proud achievementor is it? However well-tended a 30-year-old boiler may be, it can still be made to perform more efficiently. Ask yourself just how much an out-of-date boiler system could be costing you.

A boilerhouse log should be kept to check consumption against operating conditions.

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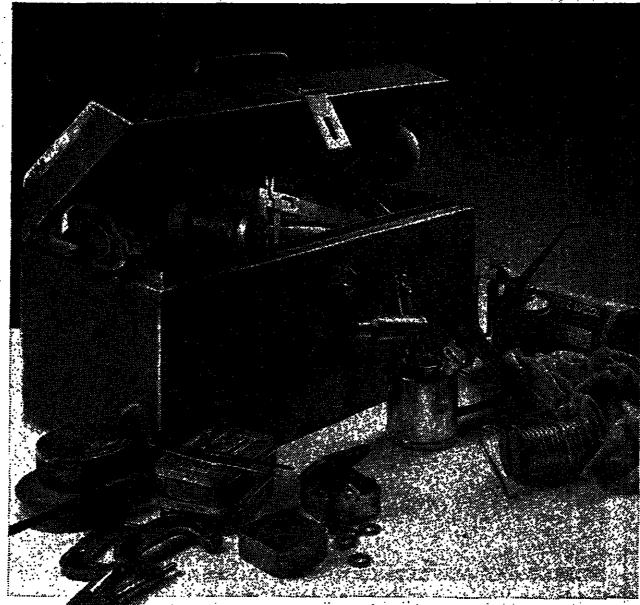
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We'll send you details of the Energy Survey Scheme run by the Department of Energy. Through this scheme a consultant will give you advice on your boilerhouse and on the overall energy efficiency of your factory or office.

We'll also send details of the Department of Industry's Energy Conservation Scheme, under which you may qualify for a 25% grant towards replacing or modernising your boiler plant.

Hundreds of companies are making



real cost savings. Many started by making use of the help available under these two schemes.

So if you think there's a chance your old boiler is losing the fire in its belly-fill in

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Extra power is one thing. The ability to handle that power safely is something else again.

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Indeed, it is at high speeds that the wind-cheating aerodynamic GTi has the effect of making seasoned motoring correspondents slip into superlatives.

For it is both unusual and impressive that the aerodynamic design of the GTi even extends to the smooth underside of the car-a feature which means that the car is literally sucked down on the road.

So, instead of bouncing around and feeling as though you are at the point of no return down the runway, you remain totally relaxed and devoid of the usual stresses and strains of high speed driving.

An important side issue of its aerodynamics is the ability of the CXGTi to remain remarkably unaffected by strong cross winds at high speeds on the motorway.

Yet advanced aerodynamics are only part of the story. There are other highly significant contributory factors such as VariPower steering. Unlike conventional power steering, VariPower becomes firmer as you increase speed, providing an absolute sense of stability and security. Furthermore it prevents the wheels from being deflected by stones or irregularities in the road surface.

Front-wheel drive and Citroen's unique self-levelling hydropneumatic suspension complete a road holding capability which is

virtually impossible to rival, at any price.

This is all very reassuring but still leaves one worry which niggles at the minds of even the most experienced drivers: the possibility of a high-speed blow-out, which is liable to be final, even for the best of us.

Reassuringly, Citroen have removed even that fear, with a suspension system which not only allows you to carry on driving in a straight line, but even steer round corners, until it is quite safe to stop.

All of which goes to prove that the car can handle the power. Like no other car in the world.



Illustrated CX GTI, the impected with a speed box, 2020-01. Also available CA200 I also, incl. Injected with a manual carrier, 2022, 40.

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ter Steel hutdom

## Picket numbers 'main issue'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

CHIEF CONSTABLES are to In calling for Government inter- his statement failed to allay meet the Home Secretary today to discuss enforcement of the criminal law on picketing, Sir Michael Havers, Attorney General, told the Commons vesterday.

He was also pressed to make changes in the Public Order Act. 1936, to give the police stronger powers to deal with picketing along the lines suggested by Sir David McNee, Metropolitan Police Commissioner.

Sir Michael said he had discussed this with the Home Secretary, who had undertaken a review of the Act and was considering publishing a con-sultative document on it in the context of picketing.

The Attorney General made a statement to the House outlining in detail the present criminal law on picketing in the light of the scenes and allegations of intimidation at Hadfields' steel works in Sheffield.

He made it clear to the House that the central issue was the numbers involved in picketing. demonstration. Lawful picketing did not need a hundred or a thousand people. If, in fact five hundred or a thousand were involved, then, in his view, that constituted a demonstration.

The lengthy exchanges ended with a clash between the Attorner General and Mr. James Callaghan, leader of the Opposition, following accusations that the Labour frontbench had failed to support Commons: the police and had not condemned illegal picketing.

there was no disposition on the criticise the police. They had the support of the Opposition law on picketing does not, in in this "very difficult area." any real way, change the If the police had shown criminal law and, in no way restraint in dealing with diminishes the rules which recognised the difficulty in trying to administer the law concerning large bodies of men who—rightly or wrongly—felt indignant and contents.

"The criminal law of the land applies to pickets as it does to anybody else.

"Let there be no illusion that If the rule of law was being break the criminal law. put in jeopardy and the police in an impossible position, then the Government

the steel strike. There was a responsibility on the Government to intervene and bring both sides together instead of just scratching at the question of picketing. law But Sir Michael maintained the

that the police would have been obtaining or communicating my noble and learned friend. "If we let go of that principle helped if Mr. Callaghan and his information or of peacefully Lord Rawlinson in 1972 when then we risk abandoning the colleagues had empassed the persuading another person to duties and obligations of pickets. work or not to work.

the Government must surrender. Returning to the attack, Mr. Callaghan pointed out that the last Labour Government had of violent mass picketing. drawn up picketing guide lines with the TUC and that he had

re-emphasised the need to It had to be part of a much wider contract with the unions. If the Government wanted the support of the unions, then they should not be "shown the door at Number 10 and shut outside."

They had to be consulted on economic and financial matters. The Prime Minister is failing to show a proper sense of responsibility in this matter, he declared.

In his statement Sir Michael emphasised that it was the function of the law to protect business and decide for themselves whether they wanted to

"If we let go of that principle then we risk abandoning the rule of law and risk surrender to the rule of violence." he

It appeared, however, that

vention, he thought that Mr. fears amongst many Tory back-Callaghan was really saying that benchers. They emphasised that it was one thing to define the law and another for the police to carry it out in circumstances

> Mr. Eldon Griffiths (C., Bury St. Edmunds), Parliamentary 'nonerspay sorio's out of lesiant told the Attorney General: "Far too often the police are caught between their duty to uphold the right to picket and the right of the public to go about their business in peace. The police are frequently being placed in a quite impossible situation."

> The Attorney General assured him that this would be one of the matters raised at the Home Office meeting today. Mr. Anthony Kershaw (C.,

Stroud), complained that it was quite intolerable that people the right of employers and were getting away with what employees to go about their had been termed "legal intimidation." He urged the Attorney General to remind his colleagues in the Government that something must be done about it.

Sir Michael was asked to comment on a situation where busloads



Minister is failing to show a proper sense of responsibility.

in such numbers that disorder was bound to arise. He said if hundreds of pickets were involved "it may be a of pickets were matter of conspiring to incite

### Havers' statement

Tory Sir Michael Havers, Attorney-about General, yesterday told the

"The recent events outside the private steel firms have re-Mr. Callaghan declared that newed public anxiety about the law on picketing and intimida-'I must emphasise that the

felt indignant and gathered the immunity provided under together to express their views. the civil law enables pickets to

"Peaceful picketing in contemplation or furtherance of a trade dispute is lawful so long had a duty to deal with the as it is the honest belief of fundamental issue of resolving the steel strike.

as it is the honest belief of those involved that their action will advance the interests of those in dispute.

"This does not mean that the freedom to picket is a licence to obstruct or intimidate—the law permits picketing solely for purpose of peacefully

such as violence, or threats of persuade... violence or similar intimida-tion—whether by excessive are concerned the Courts have numbers of pickets or other- recognised that the police may wise or molestation amounting limit the number of pickets in to a civil wrong.

may be open to the employer order. In my view this includes, on his own behalf or on that in the appropriate case, not only of his workforce to take action asking some of those present in the civil courts. In addition to leave but also preventing clear. Each of us has the right to go about our daily work or is and must remain a matter pleasure free from interference for the police and the courts. by anybody else...

not confer or imply any right in deciding how order can best to stop vehicles—still less do be maintained. So as to ensure pickets have the right to stop that ordinary people can exerpeople going about their lawful cise their own rights it is the business. Pickets have no right function of the law to protect to link arms or otherwise pre- the rights of people, employers vent access to the place they are and employees - to go about picketing. This is not a new their daily business, to work situation; the present law was or not to work, and to make made clear by my predecessor their own decisions whether to on January 25 last year and by exercise those rights. he was Attorney General.

"The immunity from civil seek to stop people going to proceedings given by Section 15 work or delivering or collecting of the Trade Union and Labour goods they are not protected Relation Act 1974 does not by the law since their purpose extend to any wrongful act is to obstruct rather than is to obstruct rather than

"So far as excessive numbers any one place where they have "In these circumstances it reasonable cause to fear dis-

"The enforcement of the law recognise the difficult task The freedom to picket does chief officers of the police have

rule of law and risk surrender 'If pickets by sheer numbers to the rule of violence. . . ."

#### Villiers' authority 'not undermined

MRS. Margaret Thatcher yesterday confirmed that the Government was seeking a replacement for Sir Charles Villers, chairman of the British Steel Corporation.

But the Prime Minister strongly rejected charges that the moves were undermining his authority in handling the steel strike. "I have every confidence in

him," she told the Commons. Mr. James Callaghan questioned the Prime Minister about reports that the Government was seeking a leading U.S. businessman to run BSC. "This is a remarkable way to deal with the industry at a time when the chairman and other directors are in negotiations, to tell the workers that the chairman is going to be sacked in a short while," he

The only fault of Sir Charles, and Mr. Bob Scholey, chief executive, was that they had been "too zealous in carrying out Government Mr. Callaghan policy,"

suggested.
Mrs. Thatcher, pointed out that Sir Charles would end his term of office later this year, retorted: "We would be culpable if we were not already looking for a possible replacement,"

Sir Charles's position should not be undermined. Mrs. Thatcher agreed. "He and the trade union leaders have a job to do in settling the dispute. I have every confidence in him

Mr. Callaghan argued that the leaking of stories about the search for a new BSC chairman must undermine Sir

Charles's position. Which Minister had been responsible for the leak? he demanded. Mrs. Thatcher repeated that there was no question of

undermining Sir Charles's authority. "I express my confidence in him and hope he and the steel unions get together to sort out the strike." Replying to Mr. Callaghan's demands that the Govern-ment should intervene to

decide the size of the industry, Mrs. Thatcher said that this was the responsibility of BSC's management. "We bave not so far interfered ... we have not inter-fered with their decision,"

### Jenkin averts Tory MPs' benefits payment revolt

ASSURANCES that Britain's networks of sub-post offices will be safeguarded if a more economic system of paying social security benefits is introduced quelled a threatened Tory revolt in the Commons last by Mr. Adam Butler, Minister

While emphasising that no

Mr. Patrick Jenkin, the Social Services Secretary, heavily over the future of sub-post underlined the scope for reducing the current annual bill of £750m incurred in making 1bn payments to 18m people and their dependents a year. He revealed that means of achieving savings of up to £50m a year, at current prices, had been identified by Sir Derek Rayner, joint-managing director of Marks and Spencer, who has been called in by the Prime Minister to spotlight areas where the Government

economic and efficient. Tory backbenchers whose anxiety over the effect of changes in the existing system of payment on sub-post offices, particularly in rural areas, led to the threat of a revolt, were clearly pacified by his pledge that there would be no precipitated action by the Government.

fait accompli and no question with a cheque book. of trying to do anything by Altogether some stealth," Mr. Jenkin declared. Labour leaders were accused

of State for Industry, of political opportunism in trying decisions had yet been taken, to exploit the genuine anxiety felt on the Tory backbenches offices.

Opposition motion. Αn recognising the importance of the sub post office network in the dife of urban and rural communities, and declaring against any by the would Government weaken the system of weekly payments mothers and other benefit recipients was defeated by 317 votes to 269, a Government majority 48.

machine can be made more Mr. Jenkin, who emphasised that it might take five years to fully-achieve the £50m a year savings identified by Sir Derek, warned that to accept the Labour motion would be to be impose too rigid a limit on the action open to the Government. In pointing to the attractions of making greater use of the banks for social security payments he reminded the House

"There is no question of early that half the population now reform and no question of a used ordinary bank accounts

guarters of the population had acress either to a cheque account or some other form of

ing society. The annual cost of making payments weekly by order was about £10 a year while a direct credit through the bank would

account, savings bank or build-

cost £2 a year. Mr. Stanley Orme, Labour spokesman on Social Security, argued that any move to cut the frequency of benefit payments would be "absolutely wrong at this time when people are really struggling."

Mr. Butler said the range of options under consideration for providing new business for the sub-post offices to compensate for any loss they suffered through a change in Social Security payments included the possibility of using them for the sale of Government stock.

The possibility of changing existing legislation to enable sub-post offices to deal as agents for bills of the nationalised

### Left-wing gives inquiry evidence

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR'S COMMISSION of inquiry was yesterday presented the Left's demands for changing with the first body of evidence the way in which the party

The Labour Parliamentary Association, which represents Labour MPs and candidates, and, unlike the Parliamentary Labour Party, is dominated by the Left, argued for changes which for the most part are likely to be the direct opposite of what the PLP will call for in its evidence to the commission.

The LPA supported both the concept of "automatic reselection" of MPs and the national executive's view that the manifesto should be written by the national executive rather than drawn up by the shadow Cabinet and only afterwards endorsed by the executive. In Party candidates. The memberthe same way, it argued against ship of the PLP should be conany change in the existing com-

The asociation also supported to support the views of the Left. leader is elected. But it raised the question of whether one leader was really necessary "Assuming that the Party

accepts that a specific leader is

necessary or desirable," it said. we support the concept of an electoral college to elect the Half the places on this electoral college would go to affili-ated organisations, like trade

unions and socialist societies. The LPA also raised what for most Labour MPs is a distinctly unpleasant possibility of former Labour MPs standing as independents in the next election and defeating official Labour

fined to MPs who are individual

### **Thatcher** writes to athletes

THE Prime Minister wrote to the British Olympic Association yesterday urging them to put freedom first by turning down the invitation to the Moscow The BOA, which has indicated

it is very unsympathetic to Mrs. Thatcher's boycott ideas, is to make its final decision at a meeting on March 4.

Yesterday's letter to Sir Dennis Follows, the association's chairman, was, also sent to the heads of all governing bodies sending athletes to the summer Olympics, presumably in the hope that some will argue against going to Moscow at the crucial meeting on March 4.

The Government has no power to prevent athletes going to the Soviet Union out last week Mrs. Thatcher appealed members of the Labour Party. directly to them not to go.

THE GOVERNMENT WORKING PAPER ON SECONDARY INDUSTRIAL ACTION

### Prior aims to restore common law rights and curb immunities

THE GOVERNMENT'S working operation of the immunity ground that the resulting scope There were some hopes, parti- from the party to the "trade their rights at law to protect capability and motive are not plier or customer (as defined paper on secondary industrial should be made clear. First, of the immunity given would be cularly following the decision of dispute" whose interests the themselves—so that provisions sufficient on their own to set in the above paragraph) of such people who sue union officials unnecessarily and dangerously the Court of Appeal in the "blacking" is intended to secure that may also be more reasonable limits to secure a party, then the parties to that action, published yesterday, for industrial action to the parties of the parties to that the parties of the parties to that the parties to the parties of the parties of the parties to the parties to the parties to the parties of the parties of the parties of the parties to the parties of the parties of the parties to the parties of the parties to the parties of the parties of the parties to the parties of the part

Secondary industrial action in furtherance of a trade dispute furtherance of a trade dispute stopped at once by an order in a dispute; and it was dan-immunity for secondary picket-confirmed by their Lordships' of people who are not concerned for legal proceedings to be purin the dispute to carry on their sued to a final order for dambusiness and for that purpose ages Even if damages are to have free access to or from their place of work and to their customers and suppliers. Those so damaged are barred from exercising their normal rights to seek redress in the courts against such interference by the immunities given to those pursuing industrial action by the Trade Union and Labour Relations Act 1974 (TULRA) as amended by the Trade Union and Labour Relations (Amend-

The Government have the law on immunities under review. They have already consulted on the appropriate limitation of the immunities in relation to Relations Act from 1972-1974) secondary picketing and have Section 3 of the Trade Disputes made provision for this in Clause Act 1906, and subsequently 14 of the Employment Bill. In the Government's view recent interpretation and application of the law, notably by the House of Lords in the case of Express

Newspapers v. MacShane,
demonstrate the need for immediate amendment also of the law on immunities as it applies to other secondary industrial action, such as blacking.

#### Statutory provision

It is Section 13 of the 1974 Act (as amended by the 1976 Act) which provides immunity for a person from being sued for acts done in contemplation or furtherance of a trade dispute which induce or threaten a breach of contract. This is of great importance to trade mionists, because almost any industrial action involves a person, usually a trade union official, inducing others to break their contracts of employment; and without some immunity in respect of that such a person would be at risk of being sued every time he called or threat ceedings against him; but these ened a strike. It is, however, of equally great importance to pletely removed if the damage everyone else, because the effect of the immunity is to remove from those persons who are damaged by that action the right that they would other dispute." wise have to obtain from the court such redress as may be appropriate to the damage

The practical effect of the made then and in 1976 on the not go far beyond that.

sought, there is a duty in law to do all that reasonably can be done to mitigate the loss that has been suffered and damages will be awarded only for loss which could not reasonably have been avoided. Secondly, the courts will not normally grant an injunction or interdict unless serious loss is being suffered which cannot be com-

given by Section 13 for acts in contemplation or furtherance of a trade dispute" was extended substantially in 1976. Before that (save for the period of operation of the Industrial Act 1906, and subsequently Section 13 of the 1974 Act, provided immunity only for inducement of breaches of contracts of employment. However, the 1974 Act (Section 13 (3) ) was designed to establish. on a statutory basis, a wider immunity in certain cases. For instance, it enabled a person to induce employees to break their contracts of employment as a means indirectly, and without legal liability, of preventing their employer from performing a commercial contract.

pensated for in money.

The scope of the immunity

In 1976 the immunity was extended to inducing breaches of all contracts, whether directly or indirectly. From then on the union official (or others) could safely interfere with any contract provided he did so "in contemplation or furtherance of a trade dispute ' --- and in such case neither party to the contract had any remedy against him, however great the damage suffered. If anyone else did such damage to them they would have common law rights to take procommon law rights were com-

or furtherance of a trade which came before them sug- an imminent or existing "trade ever else may be shown to be The Conservative Party as HM Opposition in Parliament action taken to interfere with fought vigorously against the extensions proposed in 1974 and the party in dispute. it would tractual arrangements are by other forms of secondary

was inflicted by a union official

(or others) "in contemplation

tract are not usually concerned wide for trade union officials

deprived of their common law

rights to protect themselves

against industrial action taken

against them when they were

not parties to the trade dispute.

decided in 1978 and 1979 the

Court of Appeal held that the

industrial action in question had

of a trade dispute" and there-

fore did not qualify for immunity under Section 13,

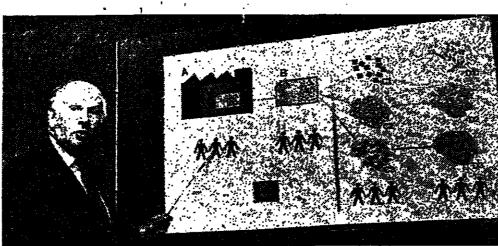
even as extended in 1974 and

performance of a contract by the first supplier or customer of

not been taken "in furtheronce

However, in a number of cases

for inducing breaches of con-wide. It was unnecessarily MacShane case, that this deve- attack or whether he has any included in the Bill. lopment might afford a basis for commercial concern in that diswith getting damages. They doing their job of protecting consensus on the extent of pute and its outcome. That this want the action complained of the interests of their members immunity, provided that the is the current position has been



Points of order . . . Mr. Prior explains the do's and don'ts of secondary action at

yesterday's Press conference

gerously wide for the rest of the ing was statutorily restricted more recent judgments in the community who would be because of its special connota- case of Duport Steels v. Sirs.

Government would much prefer

to proceed in these matters by

further consideration must

await the decision of the House

of Lords in the case of Mac-

That decision was given in December, 1979. Their Lord-

1976. For a time it appeared, existing statutes, the test of to many of those who were therefore, that the extent of the what is "in furtherance of a deprived of such rights in 1974

immunity might be governed by trade dispute" is wholly sub- and 1976 their rights at common

too far removed from the action honestly believes that it interfere unwarrantably in their

extraneous a motive to be effect of their judgments seems Because of its special significance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cance in the context of public reasonably regarded as further to be that Section 13 is to be cancer in the context of public reasonably regarded as further to be that Section 13 is to be cancer in the context of public reasonably regarded as further to be that Section 13 is to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonably regarded as further to be cancer in the context of public reasonable regarded as further to be cancer in the context of public reasonable regarded as further reasonable regarded as further reasonable regarded as further r

ing the dispute. By these tests interpreted and applied as con- order (so well illustrated by

action "in furtherance" had to ferring immunity in every case recent events), the Government

to matter how remote the per-

Current position

the application of tests, such as jective, that is, it depends on

whether the action taken was whether the person taking the

original dispute or too lacking will further the cause of those

in effect or pursued for too taking part in the dispute. The

be reasonably closely related to the original dispute and the in which, for example, "black-

tions for public order. Since the In short, the fears expressed in

ships found that, under the short, there much be restored

1974 and 1976 about the virtu-

ally unlimited extent of the

immunity which would result

from the exchanges then made

have been shown by the Lords' judgments to be fully justified.

It is the view of the Govern-

ment that this position cannot

be allowed to continue and that

the law must be amended so as

to restore a more widely acceptable balance of interests. In

law to seek the protection of

the courts against any who

included provisions as

business affairs.

Freddie Mansfield

(a) laying down certain tests which must be satisfied before Section 13 immunity can be claimed in respect of any industrial-action; and

General tests: In future, in order to attract immunity under Section 13, any industrial action taken by employees in a trade and there would continue to be dispute would first need to immunity under Section 13 for satisfy two tests. The action a person to induce a breach of taken would need (a) to be reasonably capable of furthering the trade dispute in question and (b) to be taken pre- employees in furtherance of dominantly in pursuit of that the trade dispute in question trade dispute and not principally for some extraneous motive. In which failed to satisfy these tests, those damaged thereby would be free to exercise their normal rights to seek an order from the courts making the person inducing the action stop it or pay damages appropriate

way the tests were applied by ing " is undertaken in the belief playment Bill process to the Court of Appendix as to the Court of Appeal in the cases that it will in some way further liament last December. Whatgested that, although the dispute." Thus, so long as there required to deal with abuses of immunity would extend to is such a belief it does not seem picketing, what is now required action taken to interfere with to those who may otherwise be son (or business) whose con-

Those whose rights would be

One course would be to adopt by statute the approach which the Court of Appeal sought to adopt, that is, by prescribing general tests of the kind

suggested by the Court of Appeal, but this time by statute tests which would then beapplied objectively by the courts when called upon to decide in any particular case whether the action in question fell within Section 13 or not. The Government do not believe, however, that this approach on its own would be sufficiently clear. People need to know with as follows. Where the inducegreater certainty than that when and in what circumstances they are to be deprived of their

#### The proposal

The Government therefore propose that the existing legisation should be amended so as to achieve those objectives by a combination of two approaches:

rights to protect themselves.

(b) restoring to parties damaged in the circumstances

to be identified in the Bill their rights to bring civil proceedings to protect them-selves from interference with commercial contracts by means of secondary industrial

to the harm suffered.

In these circumstances this would apply in relation to inducements to break or interfere with any contract, whether a commercial contract or a contract of employment.

thereby interfered with may be action, for example, blacking, restored: These two tests of

justify depriving those who are obtain redress in the courts. So in addition to these two

general tests, it is proposed that persons should be free to bring civil proceedings for any interference with their commercial contracts if this arose from secondary industrial action which took place beyond bounds that would be set in statute. These bounds would be set

ment to break or interfere with tection would be restored.

any commercial contract arose connection with industrial action, threatened or actual, taken in furtherance of a trade dispute by employees of the employer in dispute, the person inducing the breach or inter-ference would continue to have immunity under Section 13. In the case of such "primary action," no one whose commercial contracts suffered as a result would be able to obtain redress in the courts.

would hold in the case of secondary industrial action in furtherance of that trade disemployer in dispute who were party. These particular first by the outcome of the dispute a person to induce a breach of or interfere with any commercial contract through secondary action by their employees in furtherance of -provided, of course, that the tests of capability and motive no one whose commercial contracts suffered as a result of such secondary action would be able to obtain redress in the courts.

But there the immunity for secondary action which interto that dispute nor a first sup- of the whole subject.

dary industrial action, Even if commercial contract would be both tests were met, some secon- free to exercise their normal dary action is clearly too remote rights to seek redress in the from the original dispute to courts for such interference. This would be the case even if damaged by it of their right to the secondary action in question satisfied the tests of capability and motive. The inducement would have passed beyond the trial action would have immunity and anyone whose commer-cial contract was interfered with as a result would be free to exercise such common law rights as he had to seek redress appropriate to the damage sus-tained. For all such people their normal rights to seek legal pro-

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It will be clear that the proposal is to restore these rights where the inducement is to break or interfere with a commercial contract. Inducements to break only contracts of em-ployment in furtherance of a trade dispute would continue to attract immunity — provided that the general tests of "in furtherance" were satisfied. This would be so wherever the furtherance secondary action in furtherance of the original dispute was Exactly the same position taken, even if it were beyond the bounds set out above. ment contract took place within pute by employees of those first those bounds, there would consuppliers or customers of the tinue to be immunity under time to be immunity under Section 13 even if it interfered not themselves party to the with a commercial contract.
dispute but who regularly Where, however, the breach Where, however, the breach conduct a substantial part of took place outside those bounds, their business with such a anyone whose commercial conporty. These particular first tract was thereby intereserd suppliers and customers may be with would be free to exercise his normal rights to seek redress in the courts.

#### Consultations

these proposals, to which the Government would intend to give effect by amendment of Section 13 of the 1974 Act (as the case of any industrial action were satisfied. If that were so, amended by the 1976 Act). These are complex issues and the Government wish to have the views of employers and unions before introducing the necessary amendments to the Employment Bill currently befered with commercial contracts fore Parliament. The Governwould end. So, if a person were, ment's general review of the in furtherance of the original law on trade union momunitles trade dispute, to induce a for industrial action will conbreach of or interfere with any tinue and the Government incommercial contract through tends to publish a Green Paper actual, taken by employees of later this year, so that there anyone who was neither a party may be informed public debate

Comments are invited on

Writesto

athlete

• MATERIALS

### Tough and resists the weather

tural and engineering applica-

Chemically, the new plastics material is based on a styrene-acrylonitrile matrix reinforced by a proprietary olefinic rubber.

In practice, the outstanding characteristic of the material is said to be its high impact strength, which is retained over long periods together with its general appearance, even after long exposure to solar ultra-violet radiation.

Thus, Rovel can be used alone, or as a protective co-extruded outer layer over a lower cost, non-weatherable

plastics substrate.
Injection moulding, profile and sheet extrusion grades are being made available in commercial quantities,

The company says that the new material is easily processed. being similar in this respect to ABS. However, because of the saturated nature of the olefinic rubber component. Rovel can be processed at temperatures 25 to 50 degrees F higher than ABS without danger of degradation.

The benefit arises when good mould filling is needed in difficult moulding jobs, since the melt temperature can be increased as required, in most cases the upper limits of pro-cessing temperature are set by the colouring pigment, not the resin itself. The material can be injection moulded at temperatures up to 525 degrees

F without thermal degradation. In turn, this permits lower injection pressures, extending the life of the mould and facilitating the production of intricate parts.

Rovel 401 can be readily

ROVEL is the name given to a extruded into smooth or grained polymer developed by Uniroyal sheet or can be the extruded as Chemical Company for struchigher gloss Rovel 701 is employed, while the 501 material is used for profile extrusion in which linear rates of production can be twice that obtainable with rigid pvc. The material's thermal stability and non-corrosive properties mean that barrels and dies do not have to be cleaned after each

> The sheet is easily vacuum formed and can be deep drawn to yield parts difficult to form with other materials.

> Univoyal states that sheet and moulded parts can be fabricated by a variety of standard methods. The resin is very ductile and exhibits high cracking resistance to temperature or mechanical stress. Screws and metal inserts, for example, can be readily introduced and the parts can be bonded, painted or plated. Ultrasonic welding can be used to join parts made from Royel and for joining to many other kinds of plastics.

In the U.S. a number of applications have already been matically printed in red. tested and approved by major and motor-cycle paris, outdoor signs, marine hardware (for a payroll document, will cater for four different bondon, SW7 4ES. example, engine shrouds), solar power components and thermal flar place collectors for outdoor swimming pool heating. Farm equipment such as animal shelters and feeding troughs have also been made.

Royel resins are priced in the U.S. at just over \$1 per 1b and can be supplied in natural opaque, white and black.

More from Uniroyal Inc., 1239 Avenue of the Americans, New

#### • INSTRUMENTS

### **Imitates thermocouple**

Haven Automation which can simulate the output of a number be directly keyed in. of standard thermocouples.

of operation, temperature and simulation. voltage. In the temperature mode the user stroply enters the required

temperature using a built-in keyboand, in degrees Centigrade or Fah. enbeit and this data, together with the correspond-

AN INTERESTING innovative ing mis volt output will be use of the microprocessor has shown in numerical LED been made in a device from displays. In the voltage mode the required voltage can simply

An external probe allows Able to imitate seven couples temperature measurement covering a total range of between -50 and 135 deg C -273 deg C to 1820 deg C, and this can also be used to the instrument has two mudes provide a reference to the Otherwise, the required cold junction temperature can be entered manually from the keyboard.

More from the company at Cwmdu Industrial Estate. Gendros. Swansea SA5 5LQ (0792 34722).

### **Detection of gases**

INSTRUMENTS for gas detection or analysis have been aunounced by both Hartmann and Braun and PVS Control Engin-

The unit from the German based company is an exhaust gas analyser making use of the ultraviolet absorption principle to determine both nitric oxide and sulphur dioxide. By choosing appropriate light sources and filters the measurement can be made highly selective for the one gas or the other. Smallest

trol levels) can be fed to control devices in order to maintain concentrations of the measured gas within required limits. More from Meulton Park, Northampton (0604 46311).

The second instrument is multi-channel explosive gas alarm system made by Icare SA in Marseilles which is able to detect any flammable gas well before an explosive condition arises. Sensors used have a high resistance to catalytic poisoning Output signals are available to drive recorders, or alternatively signals (standard process conthy heavy metal compounds for

#### • HANDLING

### Conveyor is held steady

large conveyors moving bulk materials, either from one location to another or from one level to another, run back when stopping or starting or when for some reason power is removed. This can be dangerous and also cause spillage.

Dunlop has been looking into this problem and has produced a device which it claims will give full protection from this hazard. The unit is claimed to be a simple mechanical device

lubrication and is mounted either within the drive system or directly on to the pulley

A standard range of units is available for shafts up to 350 mm in diameter and special applications are catered for by system of modular design. More details are available from Dunlop Engineering Group. Dunlop Engineering Group, Foleshill, Coventry CV6 4AA (0203 88733)

### **Portfolio** Management

and institutional investors

#### **6** SECURITY

### **Intruders sensed in three ways**

A TOP security alarm system is tained and waterproofed for to be marketed in the UK by long-term unaftended operation

Made by Sparton Corporation in the U.S., it puts up a defence. Alarms are registered on a against intruders at big, remote variety of devices ranging from geophones and a processing unit sites on three fronts, employing a simple mimic panel with highly and this is particularly suitable seismic, magnetic and infra red

Examples of applications are unmanned generating stations, broadcast transmitters, defence establishments, atomic power stations, petrochemical plants and even international burders where illegal immigration is a

The three types of sensor can size or shape and are self-con- sense the passage of a vehicle. Middx. (01-578 0081).

• DATA PROCESSING

Ultra Electronic Communica- They are linked to a central environments; the vabrations set tions, a Dowly Group company, monitoring station either by a VHF radio link or by cable, denoting sensors, to a full alpha- for perimeter protection, numeric display on a crt screen.

signals. Alternatively, used two be used to protect sites of any at a time, the detectors can 419 Bridport Road, Greenford,

infra-red detector which is Magnetic sensors can be used sensitive to the infra-red emissingly, mainly for the detection sions of human. It emits no of personnel corrying any beams and is suitable for indoor sleeve of each section allowing a full circle in under 100 ferrous metal who are moving or outdoor use. Once installed, all cylinders to operate simulseconds, and operates in about. Fixed steel fencing and there is no indication of its objects produce no presence.

More from the company at

detect tin suitably quiet seismic

up by vehicles or personnel on

foot. A second version is a line

Also available is a passive

Records arrivals and departures

and marketing two increased relating to that employee's memory capacity versions of its electronic attendance recorder period. Wages staff simply—the STEP Models 149 and have to read off the final electronic attendance recorder
the STEP Models 149 and These self-contained time calculators control the day-to-

day working schedule within a business organisation with up to 149 and 199 employees respectively, and provide a printed record of employees arrival and departure times during a pre-determined work period. They distinguish systematically between normal time, normal overtime and special avertime and record the daily and cumulative totals of each. Any anomalies in attendance times are auto-

Furthermore, at the end of

figures, ready sub-divided into the different categories of working time, for instant payroll computation. The units can be programmed

to operate to a weekly, fort-nightly, or monthly pay period. have been designed to munitor normal working hours, flexible working hours, or a combination of both simultaneously.

The machines can be preprogrammed to control up to

and four weekly work schedules, at the customer's choice, and weekly schedule can comprise combination of daily

schedules, any of which may he normal working hours or dexible working hours.

Work schedules may be programmed by the customer to infinite variety of different features, such as automatic "in" and "out" printings for arrival and departure times; specific limits outside which attendance will not be credited; and "allowed (atmess" periods during which late arrivals are not debited. Other programming options include maximum daily normal working time and/or overtime allowed, maximum monthly "carry-over" hours for flexible working hours operation; and many more.

Simplex Management

#### a CONSTRUCTION

### Access to high buildings

A seismic point sensor will (CAPABLE of lifting men and (Custers) unit is fed automaterials weighing 350 kg to matically from a reel into an its full 20.5 metre working extending U-shaped conduit beight within 50 seconds, a new Plant, of Croydon, has made its cable and the design of the debut in work on Covent metal housing greatly reduce i.ondon.

> The telescopic boom incor-The telescopic boom meeting of 11.5 metres it rotates porates an advanced ran in the through 360 degrees, completing extended or retracted. The plant can be brought into action and the cage repositioned sections move in unison.

The design also overcomes problems commonly associated with the extension and retraction of electric cables and hydraulic lines on telescopic buoms. Cable on the new

formed of metal links which run along the exterior of the boom. platform from CSG Hyperion The chimination of exposed Garden's old parish church in the risk of faults or accidental The machine has an outreach

taneously when the boom is extremely confined spaces. making it particularly suitable for use in narrow streets or builders faster than conventional wherever projections or over-machines because all boom hang interfere with access. Machines are available on

Street, Glasgow G14.

### High-power hammer drill

TE72 IS a dual-purpose, rotary hammer will for heavy duty drilling and chiselling into concrete, rock and even granite.

interest to outiding and construction contractors, the pipe-fitting, plumbing and electrical trades, and maintenance engi-

A hammering rate of 2,820 blows a minute enables the tool to drill to a depth of 190mm. with a 22mm bit, in one minute. The tool can be set to operate as a rotory hammer drill for either rotary drilling, or ham-

chasing or concrete surface preparation.

The power to provide this It will be of particular performance comes from an Son wait motor and the tool operates electro-pneumatically so that virtually no contact a deck of any width. is needed. The pressure resultant lack of vibration, comhined with relatively light weight (8.2 kg), makes the TE72 convenient for prolonged use in awkward situations.

Hilti House, Chester Road, Manchester M16 0GW, 061-872 GENERATORS UP TO \$00 k.v.a.

water pumps

UP TO 8 INCHES MANUFACTURED BY

ATALANTA Engineering Ltd., Man-worth Trading Estate, Hanworth Lane, Chertsey, Surrey KT16 91X, England, Tel., Chertsey 200565, Tolocs: 8312538 ATALAN G. Tele-granis: ATALANTA CHERTSEY SURPEY

### Aluminium staging for

CONSTRUCTED entirely from aluminium, trough shaped in sale or hire from Hyperion section and with corrugated Plant, 604. Mitcham Road, non-slip deck, is Spandeck light-Croydon, and also from CSG weight staging produced espect-Access Division, 45, Methil ally for the building and magntenance industries by John Rusling, Springfields, Newport, Salop (0952 \$11779)

With a width of two feet (say inches wider than traditional timber stage, says the company) this system obviates the need to double-up between scaffold towers.

When used aincly the deck's trough profile faces upwards but for larger working areas, the new stazing is inverted to form

System promises a safe working load of 800 lbs with four-toone safety factor and can also across industrial roof trusses. Weight is 5 lbs per foot run. It also has the ability to cantilever up to nine and a half feet with a 250 lb safe working load.

### BEDFORD'S NEW TM 32X.

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Our new TM 32X is everything the UK long-distance truck driver could wish for.

The wide-bodied cab comes with many extra touches, like ample sound insulation, five-way roof ventilator, and high-back seating with suspension unit for the driver. There's even a pushbutton three band radio.

Just run your eye over the specification to see how many



TM 32X

thanks to the specially modified 6V-71 Detroit Diesel engine with N60

upport helps prevent backache. fuel injectors. Bedford TMs with this power unit are giving an economical 8.23 mpg.\*

A tractor unit this special, this economical and this competitively priced can only be available to a limited number of customers.

"Achieved by Unigate Foods Ltd. with a variety of sensi-trailers, both tank and box, at 32 tons GCW and 24 tons GCW.

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and light on fuel, we suggest you fill in the coupon right away.

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Hub covers • Front anti-roll bar • Front and rear shock absorbers • Hand primed pump • Brake anti-freeze • Twin fuel tanks • Special two-tone paint finish with decal stripes.



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To: Bedford Marketing, FREEPOST, Route 8729, Luton LU2 2BR (No stamp needed.) I want to know more about the new TM32X, and the name and address of my nearest dealer. <u>ADDRESS</u>

AT FIRST glance, it would appear that fremendous progress has been made towards harmonising and accounting accounting and reporting standards, primarily because of the work of the International Accounting Standards Committee (IASC).

In a relatively short time, the IASC has issued 13 international accounting standards and two discussion papers, and it has 11 more topics under study as possible future standards.

However, in reality, universally agreed-upon accounting and report standards are far from fruition. Most professional accounting bodies around the the IASC recommendations in their national accounting standards. Efforts by other bodies, such as the UN and OECD, in this area, have also failed to command general international

Yet, even if it is not of critical importance, harmonisation remains a very worthwhile objective, if for no other reason than that it can contribute to the efficiency of national and international trade. Multi-national enterprises, therefore, should be more supportive of the efforts being made. Despite its record to date, the LASC is undoubtedly the most appropriate agency to achieve this

But the IASC has to overcome many obstacles before it can be truly effective, and this will

take a long time. Founded in 1973 by 11 national accounting bodies, the LASC has grewn to represent more than 400,000 qualified accountants in 43 countries. However, the standard-setting

body in the U.S.—the Financial Accounting Standards Board (FASB)—is not a member of the IASC. The professional Yet it has officially stated on the one hand that, "The IASC should be supported to the maximum extent practicable"; and on the other that, "Statements of International Account-requires foreign companies to ing Standards do not establish prepare their financial statethe Code of Professional Ethics of the AICPA."

A study I made of the 1977 and 1978 financial statements of all companies listed on the major U.S. Stock Exchange uncovered no references to the Standard 3. IASC. However, to date. U.S. accounting standards and IASC the level of support the IASC

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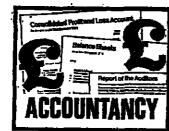
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# Why global harmony of accounting standards is a long way off

BY ROY C. NASH



accounting standards have been in substantial conformity. Thus, published accounts of U.S. companies have reflected this conformity even though it is never mentioned in their financial statements. Yet, this has not been brought about by the influence of the LASC and questions remain as to whether the U.S. would be willing to make substantial changes in its accounting standards for the sake of international harmony,

The UK has been a major contributor to the work of the IASC, and indeed, the very existence of the IASC owes much to the efforts of Sir Henry Benson, its first chairman. Yet even the UK has not adopted all the IASC Standards, nor will it disseminate for discussion purposes those that have not been

In Europe and elsewhere, the IASC has met with mixed Success. As reported in the Financial Times' Survey of 100 European financial statements, American Institute of Certified many enterprises do not comply Public Accountants (AICPA), with even the basic IASC requirements for disclosure of accounting policies and preparation consolidated accounts. On the other hand, the Lendon Stock Exchange ments in conformity with International Accounting Standards. And in Japan, reporting on a consolidated basis has recently become a requirement, partly as a result of the issuance of International Accounting

The degree of substance and

national Accounting Standards of the effect of the different covered areas that, while often practice. complex, did not have to overcome any significant inter- another pivotal element in the

achieve agreement en basic methods for the same transaction, and in doing so it has IASC standards.

been accused of not issuing standards at all. Furthermore, support for its observers perceive that the IASC does not have the power to call for one method of

Adding up

In fairness to the IASC, it and Development. should be pointed out that nonaccountants generally do not understand the difficulties in ing to book-keeping and assume that it is nothing more than adding up numbers. It should also be noted that most national professional accounting societies and government accountstandard-setters around the world have experienced only limited success in narrowing policy their own alternative practices in complex and controversial areas. Finally, when IASC permits alternative practices it mits alternative practices it required to comply with these items usually requires disclosure of extensive disclosures, and if so, group

has won for its pronouncements information to enable the the multinationals would be put measurement standards, there have also varied. Early Inter- reader to make an assessment at a competitive disadvantage Government involvement is

national disagreement on basic efforts to harmonise inter-principles. efforts to harmonise inter-national reporting and account-For example, IAS I called for ing. In many, if not most, of enterprises to disclose their the countries in the world, accounting policies and IAS 3 accounting standards are not required consolidated accounts issued by private bodies—as to be prepared. However, recent they are in the UK and U.S.— International Accounting Stan- but instead are determined by dards cover more controversial government. The IASC's work areas, and the IASC has found is made more difficult by the it increasingly difficult to requirement that governments -always reluctant to concede principles. As a result, it has any of their powers to outside allowed alternative accounting groups—change their local legislation so as to conform to

Because of such difficulties, two international government groups have gone on record as work has been weakened as saying that while they support observers perceive that the the work of the IASC, they believe that cooperative governmental efforts are needed in accounting for the same trans- order to achieve uniform worldwide accounting and reporting standards. standards. These two groups are the UN and the Organisation for Economic Cooperation

In 1977 the UN published a much-discussed report, "International Standards of Accountarriving at uniform accounting ing and Reporting for Transstandards. They equate accountadvocated that extensive disclosures be made by both transnationals and national cominvolving not only financial accounting areas but also "social" matters — for example, a description of the enterprise's labour relations

Critics of the report have expressed concern that perhaps only multinationals would be

relative to national companies. Critics also say there is not a requires all of the recommended

In response, the UN has set up a new group to review the first report and to prepare a new one. The new group has agreed to consult with the IASC and has not agreed to adopt the IASC standards as a framework for their forthcoming recommendations.

In 1976, the OECD issued its famous "Guidelines for Multi-national Enterprises." These guidelines call for, among other things, the voluntary disclosure by multinationals of their operating results and sales by geographical area, and the policies they use relative to intra-group pricing.

At least one nation—Australia—has indicated publicly that it wants foreign companies operating in Australia to observe the guidelines; and it uses them as a point of reference when reviewing applications by foreign companies for investments in Australia Trade unions have also cited the OECD guidelines in disputes with management.

In order to assess how compliance with the voluntary guidelines was proceeding and to review international accounting matters in general, the OECD established, in early 1979, an ad hoc working group on accounting standards. In its recently completed report, the group said that it had found certain weaknesses in the guidelines-specifically, in the lack of standards for measuring the items to be disclosed.

cannot be international uniformity of reporting. For ample, the guidelines call for disclosure of research and development expenditures. there are no rules as to what constitutes "research" " development."

The report also stated that the IASC, being a private, narrowly constituted could not be asked to prepare the measurement standards to back up the OECD guidelines.

In the past, a certain amount accounting will get worse. of consistency in international accounting was reached through the efforts of the "Big Eight" international auditing firms and the historical, colonial and economic influence of French, UK, and U.S. standards.

Yet, a great deal of this mother country" and Eight" influence is waning. The European Economic Community has negated a lot of fluence over the contents of the "Big Eight's" influence EEC directives and FASB statethroughout Europe because of its involvement with accounting, is not very interested in conreporting and auditing. The growth of nationalism worldwide will continue to reduce French, British, and American influence.

#### **Obstacles**

Obviously, there are major obstacles to reaching the goal of world-wide uniform international accounting and reporting. The UN, OECD, and IASC could separately be writing standards that conflict. As nationalistic feelings grow, individual countries may step up the process of codifying their own standards where none were codified in the past. Even if such countries are members of IASC, local standards may conwith the International Standards, as the survey pub-

IASC, OECD, and the UN were individual countries or profes-sional organsiations who belong to these groups would still have mendations, and it is unlikely that all would do so.

The basic difference between the European and American viewpoints on the relative importance of the various financial statements is expected to continue. Europe, the balance sheet is considered by many to be the most significant financial statement. In North America, the income statement is of primary importance. If this difference in emphasis continues while both sides of the Atlantic implement more and standards and directives, there

Countries outside Europe and North America which want to contribute to the international harmonisation of accounting could go their own ways if they perceive that the North American countries and European countries do not feel the "Big same way about harmonisation. To date, the IASC has had at best only an indirect in-EEC directives and FASB statements. In my opinion, the EEC dards to LASC standards, nor is the FASB. Perhaps even worse, the EEC and the FASB are not collaborating in their own research and publication

It is comforting, perhaps, to realise that while international accounting standards harmonisation is a worthwhile effort, it is not of such critical importance as some would like to suggest International trade is certainly not going to grind to a halt for lack of international standards On the other hand, international trade and investment would be less costly and more efficient with some reasonable degree of harmonisation than without any harmonisation at all.

On balance, harmonisation mittee.

the company is exempt from the

the Housing Finance Act 1972

(Section 124 of the Housing Act

1974). The remedy of a member

lished by the Financial Times efforts should be come has shown. If, somehow, the with the benefits to be with the benefits to be attained and that does not mean a costly to coordinate their efforts, the all-out effort. I believe that the accounting professions of the world under the aegis of the IASC are the best sponsors for this effort. A world-wide government effort through the UN would be too slow and cumber-some and too politically motivated to do the lob. A new organisation under the sponsorship of business, accounting professions, Jabour unions, financial analysts, bankers, and credit granters, etc., is likely to be expensive and too loosely confederated to be effective.

The LASC is exploring the possibility of establishing an advisory council or consultative group comprised of representatives of business, credit granters, Government, academics, etc., for the purposes of involving others is a real danger that the kind in the international accounting of problem the Shell group is standard-setting process. After now having with the conflicts that step is completed, the IASC between. U.S. and UK tax may expand its Board to include more representatives from preparers and users of financial statements. I believe it would be in the best interest of the multinationals actively to support this effort, both on a national and on an international basis.

The idealistic goal of having universally-agreed-upon accounting and reporting standards is far from being realised. For the foresecable future, multinational enterprises can expect to face an ever-increasing list of guidelines, directives, standards, and legislation, sometimes in forming its accounting stan-conflict with one another, that dards to IASC standards, nor is will affect their financial reporting and that will increase the cost and burden of doing business internationally.

> Financial Times surrey of 100 major European Companies' Teports and accounts. Financial Times Business Information Marketing Department, Bracken House, Cannon Street. London EC4. £75. An updated rersion, covering 2000 companies from a wider geographical base, will be available from April.

> The author is a partner in the U.S. national office of Arthur Young and Co. in New York. From 1977 to 1979 he was sceretary of the International Accounting Standards Com-

from each lessee the appro-

expended on the works which

No legal responsibility can be

accepted by the Financial Times

BUSINESS PROBLEM

BY OUR LEGAL STAFF

### EuroMPs think small

AMERICAN small businessmen have just sent a package of to improve the climate within needs," he says. which they operate.

been taken by Mr. Fred Tuck- and in no way competing with man, MEP for Leicester and the moves being contemplated chairman of the small business by the British Government.

Mr. Tuckman sees seminar as a means by which out the possibility of a case be-the various small business ing made for an EEC loan organisations can reach agree- guarantee system to enable

The problem he has experidemands to President Carter as enced to date, he says, is that than they might normally have a result of their recent small- in falking to the various in organisations Washington. Their UK counter-parts are now being given a chance to tell the European and interests which "doesn't Parliament what measures they allow us to get an understandwould like to see implemented ing of what small business

Tuckman makes clear that his The initiative for this has initiative is complementary to At present, he sees three

to run a seminar in July in inar may help. First, it should give further "political visibility tives of small businesses will to small companies, by emphaget together and thrash out a sising that they are both useful set of proposals, some or all and valuable to the economy. stage that could have of which could then be considered by the European picture of whether money is a The seminar will be " major need, and, if so, what type the : of money. He does not even rule

small companies to get bank loans at lower interest rates

to pay.

The third benefit he is looking for is to create a more positive interaction between government and small businesses, with small businesses continuing to speak with one voice on matters mportant to them.

Initiatives have already been taken by the committee to keep an eye on developments in the small firms arena. For example there are members of the European Democratic Group on most Democratic Group. His plan is broad areas in which his sem- of the 15 European parliamentary committees, and they have tee at an early date to any stage that could have an im-

The seminar will be "closed" -i.e. delegates only-in order to encourage a "no holds barred"

Nicholas Leslie

#### Directors and lessees

I am the lessee of a flat being part of a modern block. The several lessees formed a private limited company to purchase the freehold interest and in which each holds one share. Directors of the comparty obtained estimates for carrying out extensive works at a cost of substantially more than £2,000. The estimates were not referred to the individual shareholders either in their capacity as members which they still remain, each paying a nominal ground rent of £1.00 per annum.

In your opinion are the directors within their legal rights or should the individual lessees have been consulted as provided for in Part IX, Section 124 of the Housing Act, 1974? In these circumstances are the directors able to recover from the several tenants a proportion of the montes expended?

If the company is now the land-lord of the individual lessees (by purchase of the freehold reversion) and the members of the company comprise the majority (or all) of the lessees



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lies in requiring the directors to answer for the expenditure for the answers given in these in a general meeting of the columns. All inquiries will be company. The company ought answered by post as soon as therefore to be able to recover possible.

provisions of Section 91A of priate proportion of the monies

you describe.

# Can you Insure against paranoia?

An outrageous suggestion, we'd agree, but one that's not entirely without reason. For nowadays, with all the legislation there is affecting almost every aspect of corporate management, directors find themselves beset with worries about whether or not they're likely to make a mistake.

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A zealous shareholder, for example, may-with the wisdom of hindsight-use the slightest error of judgement as a hook on which to hang a civil action, or even a criminal law suit. And the consequences can be disastrous, the financial losses enormous.

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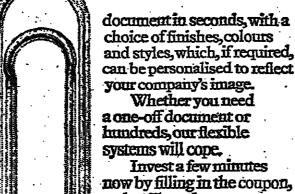


Most businesses are still making the mistake of presenting important documents in folders held together with paperclips or staples, ruining the impact and prestige of the document

Look through your last half dozen reports-do they reflect the prestige of their contents, or your company? Are they advertising the sort of image and professionalism your clients expect?

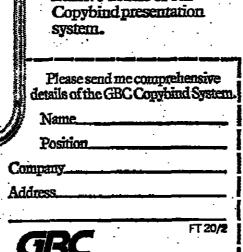
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# FINANCIAL TIMES SURVEY

Wednesday February 20 1980



# Buses and Coaches

Buses and coaches provide the most economical means of passenger transport, their makers claim, as they look forward to a decade of expanding sales.

### Growth lies in export market

By Kenneth Gooding

EUROPE'S commercial vehicle manufacturers are faced with the prospect of continued over-capacity and static markets for trucks, at least for the next few years. So it is not surprising that they are paying increasing attention to bus and coach manufacturing operations where capacity is much more in line with demand and where the chances for substantial annual growth are very good indeed. One of the leading manufacturers, Sweden's Volvo, goes so far indeed as to describe the bus as "the vehicle of the next

The optimism springs not so much from prospects in Europe

after the oil supply crisis—but in the developing world, which is in a position to learn from the mistakes made by the indus-

trialised countries.

The simple fact is that the required by cars and only creation of an effective traffic a quarter of the energy. infrastructure is an essential prerequisite for economic growth in any country. The extremely high population densities which form around industrial centres can result in losses to the economy and a deterioration in the standard of living if traffic problems are left unsolved.

The passenger car, although designed for carrying individuals, has in too many industrialised countries assumed the role of mass transit. But the penalties are severe in terms of air pollution, noise, excessive energy consumption, congested streets, overcrowded parking facilities and high accident rate.

There can be no argument: the passenger car does not constitute a good foundation for establishing a sound traffic in-frastructure if you are starting

The commercial vehicle makers argue that for an extremely broad range of requirements the bus is the most onomical means of passenger transportation available. The bus "lobby" points out

—although countries that had that buses have the flexibility been letting their bus operations to respond to changing transrum down changed their minds portation needs because they operate on normal roads; they can be employed in areas that are relatively sparsely populated; they need only a fraction of the specific road surface required by cars and only about

#### Cash available

Saudi Arabia as a country which had the cash available to move from "undeveloped" to "developing" at a fast rate. provides a good example of what happens to transportation during the process. The country has a good airline for longdistance travel. It has a well-developed truck market for the transportation of goods, mainly by one-truck owner-operators. The passenger car market is equally well-developed, with the emphasis on Japanese and American vehicles. Buses take care of mass transit in the urban areas. Significantly, the buses are made in Europe, the management of the bus company is from the U.S.

Saudi's decision to "go with the bus" is certainly having an impact on the generally upward trend in demand. The country will buy 4,000 buses over the next five years. It has ordered 700 already and is asking for bids in lots of 400. Compare this with the 1978 output of Europe's hardware.

two major bus makers, Leyland of the UK and Daimler Benz of West Germany, at 6,600 and 6,553 respectively, (In this connection the vehicles or chassis are purpose-built buses, not converted vans, and are over six tonnes gross weight.)

Even without the influence of the Saudi orders, demand is climbing inexorably upwards. Leyland reckons that the growth rate in those countries outside Western Europe or the U.S. which are potential markets for European buses is at least 10 per cent a year.

This particular market will probably take 30,000 to 35,000 buses and coaches in 1980. And it is on this market that the European manufacturers must concentrate their attention. For although there are an estimated 400,000 buses on Europe's roads, a great many of them were made in the country whose roads they

The countries of Western Europe have always been very nationalistic about buses. Local legislation, often designed to meet local conditions: effectively puts up substantial non-tariff barriers to trade in buses. Sometimes the encouragement of local producers is overt-such as when grants towards mass transit services are available to local authorities only when local manufacturers supply the

The upshot is that in most Western European countries it is uneconomic to import buses or coaches on a large scale.

As for the U.S., although it is a market which might well open up in the future, for the moment the Europeans mainly leave it alone. Indeed, until recently they did not consider it worthwhile to attack the truck market in the States either.

The constraints on trade in the European markets have produced some stability, however. Companies have been able to judge pretty accurately what demand will be. So there is not much over-capacity of the kind which bedevils the truck sector.

#### Not short

But the Europeans are not short either of capacity to take up orders from the Third World. Some companies which are making aggressive moves in non-European export markets are increasing capacity—two examples are Sweden's Scania with a Skr15m (S3.7m) expansion programme and Iveco's recent restructuring of the facility at Mainz in Germany, which produces Magirus-Deutz trucks as well as buses.

For the past 10 years the main suppliers from Europe, as previously suggested, have been Mercedes buses). But the peans.

obvious growth prospects, particularly since private-sector bus operations began to mushroom in many developing countries, have attracted the competition in the shape of such doughty concerns as MAN. Fiat (through its Iveco subsidiary) and the Scandinavians repre-sented by Scania and Volvo.

So far the big bottleneck holding up development has been body-building capacity. The be an adv potential output of bus and coach chassis is by no means matched by that of the body-builders. It is for this reason improved. that Ikarus, the Hungarian group which has as its main role the supply of buses and coaches to the Comecon countries, has a presence outside the Eastern bloc - because it has body-building capacity to spare. (Western companies keep a constant wary eye on Ikarus because of its huge production potential—it makes a bus about every 20 minutes' working time.)

Leyland estimate it could reasonably expect to sell 2,000 buses 2 year outside the UK but this could be doubled if the body-building capacity were available.

In any event, one trend which seems certain to come is that many of the Third World courmain suppliers from Europe, as tries will develop bus and coach previously suggested, have been body-building capacity, possibly in partnership with the Euro-

Volvo reckons that it could set the pattern. The group makes bus chassis for 60 markets and deals with 60 body-builders. one for each. It does not want the problems of the integrated European bus builders.

Certainly bus body building involves relatively low technology—but it is labour-intensive and costs are high. In the Third World, however, this can be an advantage when governments look for some local assembly or manufacture so that employment prospects are

#### Volatile

Then again, the bus market in individual countries can be volatile, with high peaks and low troughs. In the developing countries in particular bus orders can arise or be cancelled for basically political reasons which have nothing whatever to do with the mass transit needs.

It is also expensive to export built-up buses. Scania says it costs around £6.000 to ship a built-up double-decker bus to Hong Kong from Europe. But a separate chassis can be shipped for roughly £1,500 and the cost for a separate body is

However, the Europeans are no longer selling buses and coaches to the developing coun-tries. They are selling "trans-of competitors.

port systems" or transport packages." These systems and packages go much further than simply offering service support and training for mechanics. The bus makers can produce for a potential customer a model of a transit system which takes into account passengers, vehicles, in-frastructure, planning and use.

Europeans, speaking from bitter experience of con-gested urban areas, place particular emphasis on improving the infrastructure, the routes, the bus stops and intersections: on separating the modes of transportation by providing bus lanes, bus streets, overpasses or tunnels. They can offer advice on bus stop equipment which can increase reliability and safety—such items as elevated boarding platforms and weather protection.

They can explain to local authorities how improvements at intersections can be gained by controlling traffic lights from the bus, providing special bays for buses, and so on.

In short, the bus makers cannot simply be bus makers any more. If they are to succeed in those markets with the highest potential, they will be more likely to win contracts because of the complete transit "packages" they can provide, not just because the vehicles they offer

# TAMOL DUS

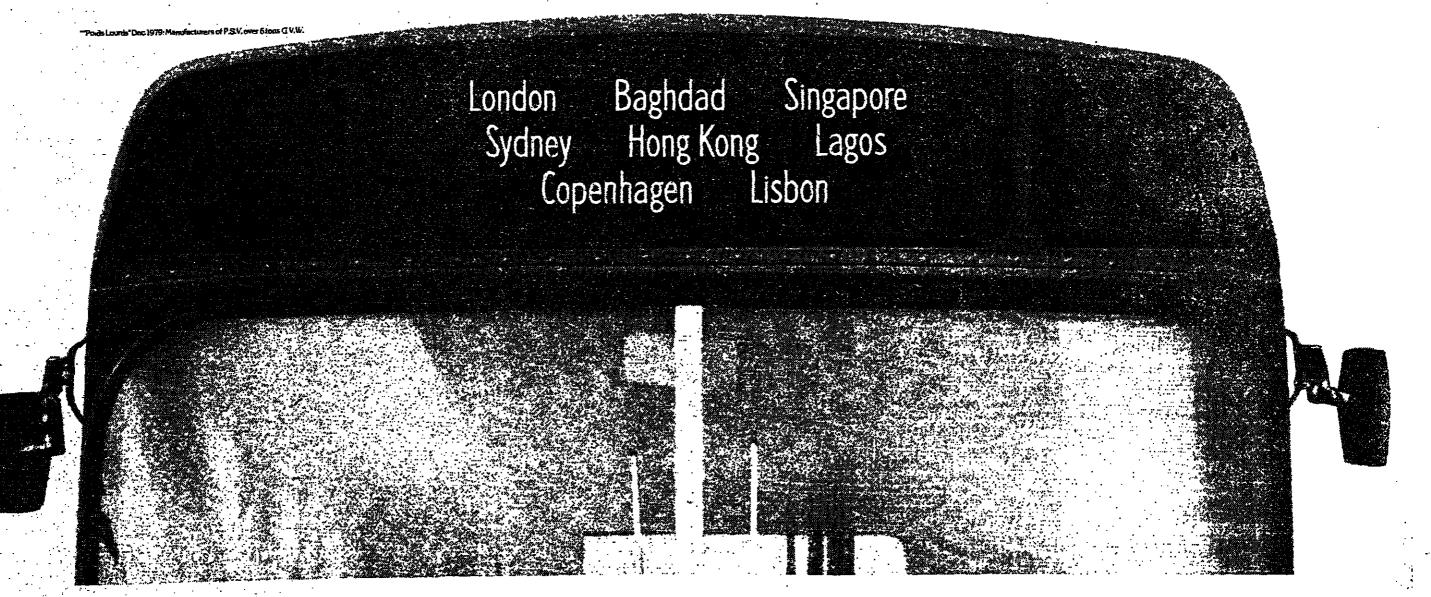
They're seen all over the world. They may not all be like the one you catch to work. But that's because we make them to measure, to meet all your operating needs, and the demands of any environment.

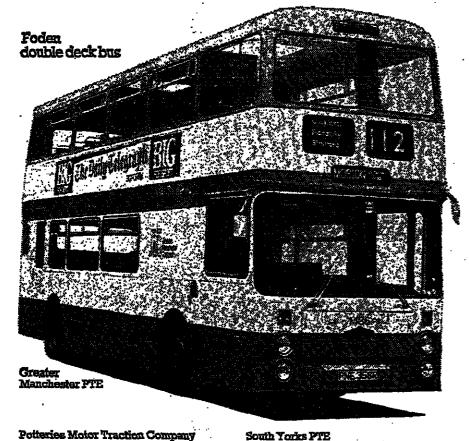
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Leyland Vehicles





#### Britain's premium vehicle builders

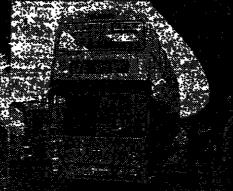
Fodens, Britain's largest independent manufacturers of specialised vehicles, has completed intensive trials of its single and double deck bus designs. Test chassis in the product development programme, carried out with six major passenger transport authorities, have covered over half a million miles. Poden underframe units are available to all body builders.

Fodens worldwide Fodens now operates a P.S.V. project management approach, designing single and double deck underframes to meet the specific needs of transport authorities worldwide. Utilising a variety of drivelines, these chassis can be supplied fully built up or in kit form for Fodens or third parties to assemble with local labour. Licensing opportunities also exist.

Powered by Gardner 6LXB rear engine (1725hp at 1750rpm), 5105mm (16'-9'') wheelbase, Multileaf overslung springs front and rear. Telescopic shock absorbers. Allison MT640 automatic gearbox and torque converter with Ferodo retarder or Voifh automatic with integral retarder and optional

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Everyday 4 million people catch the same bus.

The buses and coaches others are measured against.

# Operators put experimental vehicles on the road

DEVELOPMENTS in urban British public's preference to sit Thus it can fit into smaller tun- "O-Bahn" making a three-fold transport are not only being down in a bus. The MAN bus, nels than would be otherwise contribution—normal. "free-studied in research centres for example, can carry 154 needed, or can have its own running buses, dust mode or throughout the world: public passengers, with 64 seated and separate track alongside or combined free running and authorities are also investigating the problems and potential factor — the articulated bus Daimler-Benz has developed guide bound traffic.

vehicles on the road.

In the UK, the South York around £45,000.

shire Passenger Transport MAN says the Executive is probably one of problems of in Executive is probably one of problems of introducing the the most progressive transport articulated bus into the UK is authorities in the country in its that the British operator still consideration of the buses of thinks the articulated bus is the future, both in terms of designed to accommodate a mental considerations.

Last year, for example, the executive took delivery of a bus powered by liquid petroleum gas. The bus had been specially developed to run on LPG, and followed extensive research by the PTE. The vehicle was based on an original LPG bus, a Cleveland Transit Fleetline. Technically more sophisticated than the Cleveland, the new bus, which will undergo trials for two years, incorporates a Leyland Atlantean chassis, a

Roe of Leeds. South Yorkshire PTE be-lieves LPG could become a readily available fuel for the PTE's buses. Currently, there is a surplus of LPG and there are indications that it will be more available than fuel oil, although as the executive said, "it is difficult to foresee the

#### availability of all types of fossil fuel over the next decade." Less pollution

LPG causes less pollution than diesel fuel. It is cheaper, has a lower noise level, and engines using it run more smoothly. Its major disadvaninfrastructure, planning and
tage is a shortage of re-fuelling use into account. This will
services. The PTE, for its result in improved dependtrials, is having to make speability, punctuality, scheduling. cial arangements

electric and battery-operated vehicles, but perhaps its most extensive research is into the

extensively used in passenger systems throughout Europe, it is a newcomer to the UK. Articulated buses that it has Under a special dispensation from the Department of Transwith the MAN bus and the Leyland DAB National

The PTE sees four areas vantages over traditional buses. These are on short heavily Daimler-Benz reputedly the laden central area distribution second largest bus builder in the services, heavily-laden crosstown routes, routes affected by low bridges where double deck capacity is required, and short reference to fitting them into distance routes where passengers might prefer to wait for a

second bus rather than use the upper deck of a double decker. The greatest practical prob-lems associated with introducing the articulated bus into the UK include the need to redesign garaging and repair shop space and integrate it into existing transport systems, and the

ing the problems and potential factor — the articulated bus Daimler-Benz has developed uses and are putting prototype costs about £70,000 while the three forms of guidance vehicles on the road. traditional double decker costs systems, two of which allow the

MAN says that one of the passenger loads and environ- maximum number of people over a long distance. In fact it is designed for city centre work where the average passenger travels less than half a mile.

MAN is trying to sell a complete operational scheme. In Britain bus routes tend to radiate from the city centre and passengers travelling from the suburbs like buses in which they can sit. MAN has designed a system where passengers would travel from the suburbs on conventional buses. When they reached the fringes of the city centre they would transfer to articulated buses which, it Rolls-Royce B81G gas engine city centre they would transfer coupled with a Voith D851 4N gearbox, and a body by Charles says, could drive quickly to the city centre.

In the UK, MAN has three employees who show PTEs how a complete bus system, incorporating articulated buses, double deck and single deck could be introduced. MAN is aiming to bring into the UK all these buses. "We want to be these buses. able to offer a complete package to a PTE," it says.

As a research paper published by MAN said: 'The development of new buses alone will not improve the situation. What is needed is a comprehensive model of a transport system that takes passengers, vehicles. driving speed and comfort in South Yorkshire is also bus services. Measures for examining the potential of improving the infrastructure. electric and battery-operated the routes, the bus stops and intersections are of particular importance.

Separating the modes of While the articulated bus is transportation, for instance by providing bus lanes, bus streets, overpasses and tunnels, contributes as much towards increasing reliability and safety as looked at included those built does suitable equipment at bus by MAN, Volvo and a Leyland. stops. Elevated boarding platforms, weather protection, and accurate information on bus port, the PTE is making trials arrival times reduce boarding time and make the passengers' wait more pleasant." Volvo, of Sweden, is pursuing a similar where they have potential ad- policy. It's new system is based on the Volvo B10 city bus.

world after Toyota, is also giving great attention to the buses the future, with paricular an integrated system.

Its advanced " O-bahn " or busway project is ready to go into production and a number of public authorities have expressed interest in it. The bus has guidance systems which force it to follow a pre-arranged path.
Automatic guidance enables the bus to take up less road space

vehicle to be steered manually as well as automatically. The third system, for a completely guideway-bound bus, is planned for use in very heavy traffic.

#### Pilot cable

With the electronic guidance system, the bus follows a pilot cable laid under the road surface. Antenne sense deviations from course and automatically cause the necessary steering corrections to be made via a microprocessor and hydraulic

In the mechanical system the bus is guided between two rails by solid rubber rollers or feelers attached to the stub axles of the front wheels.

Daimler-Benz says that both systems show excellent driving characteristics. The bus has good stability all the way up to top speed, runs true, and is largely insensitive to irregu-larities in the guideway. It is planned that the systems

will be used mainly in networks with relatively few guided sec-tions. A third system steers buses along the sidewalls of a channel-like guideway by means of horizontal guidewheels on each side of the bus.

In the final stage of its work attractive alternative on the bus transit system. Daimler-Benz

The electronic system already well advanced while the mechanical system is virtually ready for large scale production. Several German and inter-

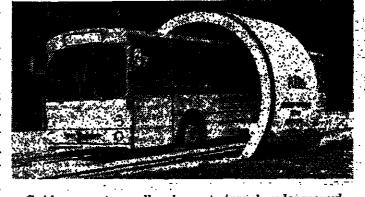
national transport undertakings

are planning to instal automatic track systems within a few The company is also develop-ing a diesel-electric hybrid vehicle. It uses a diesel engine in suburbs which charges batteries to provide quiet and pollution-free power in city centres. Buses of this type are

soon to go into regular service in Stuttgart and Wesel. All the major bus manufacturers are exploring these alternatives for their buses. The three main criteria they are acting upon for the bus of the future is low energy cousump-tion, low exhaust emission and independence from petroleum

MAN has also designed a trolley bus. The company says that if the price difference between electric current and diesel fuel can be reduced, the advantages of higher power, longer service life, less maintenance, decreased environ-mental pollution and indepen-dence from petroleum will again make the trolley bus an

Lisa Wood



Guidance systems allow buses to travel underground through small tunnels. Here the Daimler-Benz system is undergoing trials in Germany



The MAN articulated bus being tested on the streets

# Two orders stir the industry

OF THE recent export orders when MAN (Maschinenfabrik for 400 double deck buses by Baghdad Passenger Transport

This looked like a real blow for Leyland Vehicles of the UK because BPTS already had 400 of Leyland's Atlantean buses on the road together with 300 older Leyland models which were said to have provided "excellent All the back-up paraphernalia

in the way of spares, equipment and so on was already on the ground in Baghdad whereas with the MAN vehicles BPTS would be starting from scratch. Indeed, the Iraq deal was the first contract for double deckers awarded to any German company for more than 40

become an injured innocent bystander in the political and diplomatic battles between Iraq when awarding the contract to MAN, stressed that the German company had the capacity to handle such an order and could

offer quick delivery.

Iraq quickly followed through with an order for a further 200 is worth over \$100m.

But the Leyland salesmen kept up their efforts because they did not believe all was lost, and earlier this month Iraq concluded a deal to take 200 Leyland Atlantean double and Egged would not in itself as part of a Federal programme deckers for delivery from the contravene those regulations by the Department of Transport middle of 1980 and over the which are, in any case, applied and the Urban Mass Transit middle of 1980 and over the following year. When the value of spare parts and special equip-bargo against Israel has been in UMTA provides by way of ment is included, this centract particular disarray since grants 80 per cent of the price is worth around \$33m to

One "bonus" for Leyland with wen by European bus manufac- its latest Iraq contract is that presumably, a return for Arab turers, two in particular have the deal includes three of its equity mance is unique in turers, two in particular have the deal includes three of its equity mance is unique in turers, two in particular have the deal includes three of its equity mance is unique in turers, two in particular have the deal includes three of its equity mance is unique in the deal includes three of its equity man markets in the Middle East and Augsburg Nurnberg) in Sep-Africa. They will be included tember was awarded a contract as a tanker, a cargo carrier and as a tanker, a cargo carrier and

as a tanker, a cargo carrier and a breakdown vehicle as part of the package and provide Ley-land with an opportunity to prove the worth of the Land-train in local conditions in Iraq. This shows once again the value of a bus business to the European truck makers as a way of adding to the list of potential customers as well as providing a less-volatile business for the production facilities.

The political aspects created the interest in the second of the recent orders to cause out-ofthe ordinary comment, although the size of the contract deserved attention too.

than \$100m from Daimler-Benz of West Germany. The contract time to a partial embargo on the development of a local bus British goods. However, BPTS, industry and for the swarding the control of the swarding the swarding the control of the swarding the control of the swarding t was also said to involve the of Israeli-made parts to pay for the country's particular repart of the outlay. This immediately raised the

question of D-B's relationship with Kuwait which has had a 14 per cent shareholding in the German company since 1974. Kuwait has been perhaps the most zealous, after Iraq, in en-

cial transaction between D-B converted into local authorities with varying rigour. The em- Authority was set up. Egypt's peace negotiations and of all buses purchased by local treaty with the Jewish State.

look on its stake in D-B purely as a financial investment and has no seat on the German concern's supervisory board which oversees group policy. But the Kuwaitis make their opinions felt at annual meetings through Dresdner Bank.

The 1,100 buses are about one third of the total Egged will need to replace its ageing fleet over the next three years. potential bus market in Israel is 6,000 over a relatively short period. Apart from Egged's re-quirements, buses are also needed to replace old vehicles operated by Dan, the co-opera-tive which runs urban services in Tel Aviv and by various tour

Israel's inter-urban but cooperative Egged ordered last
autumn 1,100 buses worth more
than \$100m from Deletion Polymers as a complete than \$100m from Deletion Polymers are past, Egged and Dan
were equipped exclusively with
Leyland buses, but this monopoly ended when Leyland suspended local assumbly In the past, Egged and Dan tions in Israel a few years ago. Since then, Egged and Dan-have been testing various Swedish and German buses, but the ultimate aim is for Israel to develop a local bus, suited to quirements and climate. .

Another overseas market on which the European bus and coach makers are keeping a wary eye is the U.S. So far. this market has remained more or less closed to the Europeans,

most zealous, after Iraq, in enforcing the provisions laid down by the Arab Boycott of Israel office based in Damascus.

The straightforward commercial transaction between DR converted into local authorities.

authorities. But there is a

But such a sale involving. American" clause involved: imported buses attract no grant.
UMTA also came up with a
new specification for urban
buses—"the transbus." From June 1979 all buses were supposed to be built to the "transspecification. The U.S. manufacturers insisted that they could not build to the specification, at least not economically. For example, the "transbus has to be able to "kneel" s that a person in a wheelchair can get on and off unassisted. The three independent U.S.

bus makers were General Motors, AM General and Grumman Flexible. As soon as the "transbus" was announced AMG pulled out of bus building. GM and Grumman continued to make their own, recently introduced. "advanced buses." saying they could not meet the

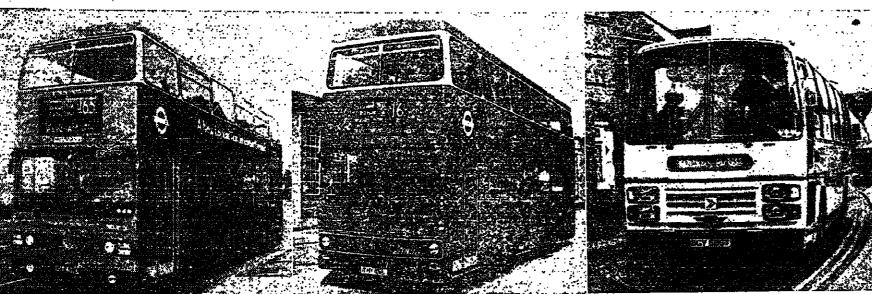
#### Confusion

In the confusion, registrations of buses in the U.S. fell to 2,800 compared with the normal re-Having been forced to reconsider their positions and to think about something different in buses, some local authorities tried double-deckers or articulated vehicles.

They also have begun to think more seriously about imports. If that is the case then the European manufacturers seriously consider adapting their vehicles to meet the U.S. specifications-or might even be able to persuade the Americans to adopt European specifica-

Local opposition would not necessarily be exceptionally strong. Neither General Motors nor Grumman are by any means totally devoted to bus manufacturing. The rest of the pro-ducers are operators with their own manufacturing operations -such as Greyhound and Continental Trailways.





Leyland's Titan and Metro-Cammell Weymann's Metrobus, both in service in London. Right: long-distance travel by National Express coach

# Leyland double deckers challenged

DOUBLE DECK buses are predominantly a British speciality
—both in use and manufacture established markets in the Far the market is about 1,800

mercial vehicle makers have had little competition from foreign-built chassis. market has traditionally been dominated by Leyland Vehicles. In 1974 it had a virtual monopoly in the manufacture of double deck buses.

But during the subsequent years purchasers, for a variety of reasons including alleged unreliability problems with LV's rear-engined Fleetline bus. have sought alternative suppliers and designs. How-ever, Volvo's double-decker. with a conventional front engine, proved unattractive to many, particularly with the problems posed by the engine hump in the front of the vehicle. Also, many purchasers did not want a foreign vehicle, even though the Volvo was built in Scotland with a large percentage of British components. So, in the mid 1970s, a number of chassis builders saw the market opportunities for developing their own double deck buses. Among these were Foden, Metro-Cammell Wey-

double deck in 1967. These buses are now penetraing the market and Leyland Vehicles, which had 85 per cent of the market share of UK double deck buses in 1978, had 82 per cent in 1979. These companies now selling their new

mann, part of the Laird Group,

through until 1985. At present double deck buses per annum. This demand is forecast to fall at least to 1,700 by the mid 1980s. Therefore any growth achieved by companies such as Metro-Cammell Weymann and Hestair Dennis will have to be achieved at the expense of LV.

LV, which exports about 25 per cent of its double-decker production, is pinning much hope on its new B45 double deck chassis which shares many of the features of the Titan integral bus. The main difference is that the B45 has a proper chassis. The Titan gets its strength from the integral construction. It is hoped that the B45 will replace the Atlantean and Fleetline which do not offer air suspension. Although LV has no orders yet for the B45 Mr. Ken McKiver, general manager of LV's passenger vehicle division, said: "A number of pre-production models will be going on trials soon and we have a very clear understanding of where a number of the B45 buses will be

#### Optimistic

LV is also optimistic that it will be able to have a sizeable share of London Transport's and Hestair Dennis which had ceased production of its Lowline £120m programme to improve its current standards of service. ipvolving the purchase of 2.000 new buses over the next four years. By 1985 LT plans to have its entire fleet of Fleetline double deckers replaced. LT was badly hit when LV

products on the market are last year decided to close its a relative newcomer to optimistic of sales despite fore- Park Royal Titan bus works in chassis market. MCW had because of a falling market London. This decision was made putting budies on chassis because of the poor productivity levels at the plant as well as the labour force sobjections to recruiting semi-skilled

workers. When the decision for closure was taken. Park Royal had two outstanding orders for LT. Both were for 250 double deck Titans. The first order was due for delivery at the end of 1979, but will now be completed when the plant closes in June of this

The delivery dates of the second order are still uncertain, for LV said that after Park Royal closed it would continue to produce the Titan at two centres. The plan is to make the under-frame at its factory at Workington, Cumbria, which owns jointly with the National Bus Company, and build the bodies at its Eastern Coach Works plant at Lowestoft which it also jointly owns with

However, problems have arisen at Lowestoft, where staff have refused to work with semiskilled workers to be recruited to fulfill the heavy load of work. LV has said it cannot say which other plants it is considering to do the body-work but said there was a possibility of both the under-frame and the bodywork being done on one site.

It was because of this short-fall of LV's Titan buses that LT asked Birmingham-based Metro-Cammell Weymann, which was already supplying the authority with more than 200 buses, to supply an additional 100 Metro-

Metro-Cammell Weymann was

chassis market. MCW had been putting bodies on chassis for Scania and Leyland buses for some time when, in 1977, it announced that it was going to build the Metrobus, a semiintegral double-decker which could be bodied independently. Mr. Trevor Webster, MCW's

sales director, said: "We wanted to have a wholly British vehicle in keeping with future potential legislation on noise, the environment and passenger needs. We also wanted to take into account the new technologies, such as automatic transmission. We started designing the vehicle in April 1976 and by the end of 1977 the first prototypes were on the road.

#### Fine division

It is to MCW's credit in establishing the Metrobus that when orders for 500 double deckers are shortly placed by LT for delivery in 1981, it is likely that they will be finely divided between MCW and LV. However, LT has said recently that while it has had teething problems with the Titan it was having design-failings with the

The most significant recent newcomer to the double deck market is Hestair Dennis. Dennis Bros., of Guildford, had. made buses for more than 50 years when in 1967, after being taken over by Hestair Holdings, ceased production of the Lowline double decker. The company, with a fine reputation for making fire engines, fire engineering products and chassis, decided to produce its own double deck chassis in 1975.

Two buses were developed, the rear-engined Dominator, and the front-engined Jubilant which was designed for export.

The Dominator is a vehicle in direct competition with the Titan and Metrobus and so far has a good record in service. The largest UK order, for 144 buses, was recently placed by the South Yorkshire Passenger Transport Executive Total production of the Dominator and Jubilant is expected to be about 500 units by the end of 1980. The Dominator has been under trials in Sheffield, for where the new order is destined, for more

than two years. In the coming years the UK market shares are likely to be thrashed out by these UK com-panies, although Scania has just re-entered the UK double-decker market with its BR112DH chassis. Scania has said it wants 10 per cent of the UK market and can produce 200 doubledeckers a year, and has the capacity to increase production.

LV's reputation is also likely

to improve, particularly in London, as more Titan double deckers go on the streets. One of the root causes of the Fleetliner's alleged unreliability is that LV's maintenance system is geared to the old Routemaster double deck bus, which was of integral design. Rigid work practices have prevented the introduction of new working practices for the Fleetliner. However, as the Titan is of integral construction, the established machinery and work-practices could be suitable for

# Coachbuilders serve expanding market

distance coach tour industry.

Wallace Arnold. Britain's UK." largest independent coach operator, says demand for its tours has grown by just under per cent annually for the last three years.

said: "People are growing increasingly confident in coach tour travelling rather than that by aircraft, where they can experience delays and sur-charges. The customer likes the solid reliability of a couch tour.

Wallace Arnold this year will offer 50,000 coach touring seats and 32 tour itineraries, mainly to Austria, Switzerland and North Italy although some tours go further afield-to Greece and

Yugoslavia, for example. Wallace Arnold, like many operators who are taking a longterm look at the market, is changing its coach buying policy. Previously its vehicles had an average life of nine years (five to six years on tour) but now it is moving to a sixyear life with four years in

touring. The quality of the vehicles' interiors is also improving. They are being fitted with reclining seats, curtains and centre aisie carpeting. "People are now demanding a good quality coach in this very price sensitive mar-ket," said Mr. Steel.

#### Chassis builder

Wallace Arnold's chassis for its heavy-weight vehicles (those used for touring) are built by Leyland Vehicles and Volvo while its lightweight chassis (used for day tours and coach charter) are built by Ford. All the vehicles are bodied either by Duple Motor Bodies

of Blackpool or Plaxtons of Scarborough. Wallace Arnold is buying 52 new coaches this year, all to be bodied by Plax-tons. "This is an important order for us, and them," said

Wallace Arnold is looking at a MAN coach for its long-distance service from London to Rome, but the great problem with the MAN vehicles is price. British vehicles are lower in Lisa Wood price," said Mr Steel " and there facilities.

DEMAND FOR coaches is grow- are also the attractions of sering, both in the UK and abroad, vice, after sales and parts particularly from the long-prices. Volvo now offers a very good after soles service in the

MAN has offered Wallace Arnold a coach to be put on the London-Paris service on an experimental basis. "We recognise the superior fitments and Mr. Geoffrey Steel, Wallace its a very solidly-built bus and Arnold's operations director perhaps has a larger power-output than a Leyland or Volvo coach," said Mr Steel, "But we are very satisfied with our Leyland and Volvo vehicles."

#### Total control

MAN is one of the few chassis builders to budy the vast majority of its coaches. It sees the conventional method of a chassis being built by one manu-facturer and then shipped to a body-builder, as setting up a situation where there is "scope for too many mistakes." "We have total control over the pro-cess, say MAN "and we have a much shorter total build

MAN sees a "very definite up-market inovement in coach-ing." Its luxury coach chassis it says, is about 10 per cent more expensive than those built Volvo, Leyland Vehicles, or Daf, while on bodying, it claims that nobody can offer the same quality of construction. "Our coaches are expensive. We have never said they were not," said MAN, but people see what they pay for and nobody has yet said they are not value for money. Our advantage, in doing the chassis and coach work is that we can build luxuries such as kitchens as part of the inte-gral construction of the vehicle."

Standard features in a Man heavy-weight coach include double-glazinfi, tinted glass, reclining seats, power steering and full air suspension. Luxury vehicles can offer full office facilities, kitchens and toilets. MAN predicts that more and more companies will use luxury coaches to transport executives to meetings. On an aeroplane it is virtually impossible for a large group of people to hold a discussion. On a coach, with special seating arrangements, it is simple. Pop groups, football teams and politicians are also good customers for luxury coaches offering wide in-tour

Daimler-Benz, one of Europe's biggest coach makers, has largely ignored the UK market. although it concentrates very heavily on exports. In France it and Kassbohrer, also a Gorman coach-builder, take a

imported domestic market. Daimler-Benz's 303 coach is sold in several lengths and engine configurations. Like MAN, its coach is a sophisticaled vehicle. "The idea of cosseting passengers has long been explored by European coach makers, said Daimler-Benz,

The coach business in the UK has traditionally been seen as second class travel. The Continental approach has been slow to catch on. In technological

ments, the American Greyhound Corporation is, it says, "in the vanguard of developing the coach of the future," particularly in the fields of fuel efficiency, noise and emission standards.

At present, Greyhound has four buses powered by gas turbine engines on the road undergoing trials.

Greynound is looking at several ways to increase fuel efficiency and decrease noise and exhaust emissions.

The turbine is a engine, similar to the design used in jet aircraft engines. In a bus or coach it allows lower maintenance costs as it needs to he averlianted only about every 1m miles (500,000 miles for a diesel engine).

#### **Prohibitive**

In the UK, legislation concerning buses and coaches tends to prohibit experiment - for example trials of the articulated bus in Sheffield had to receive special dispensations from the Department of Transport.

Coach operators in the UK would like to see a relaxation of these regulations so that more experiments can take place. Neoplan of Germany is developing a double-deck coach and British coach operators would like to see trials of the vehicle in this country. Mr. Steel, of Wallace Arnold, said: "The British regulations are inhibiting UK experimentation and developments coaching industry."

The 'R' Series chassis is more solid than you could reasonably expect a lightweight chassis to be.

Far more solid over high mileages. Far better at soaking

up the knocks and jars on the way.

But don't let these strengths blind you to the real benefit of the 'R' Series.

In a Commercial Motor test, it recorded an outstanding 12.6 miles per gallon.

We'd like you to compare this with any other lightweight coach or bus in your fleet.

Then compare the advantages of the Ford 6.0 litre Turbo II engine. Notice that it's frontmounted. Not half way up the back where it's difficult to get at without special equipment.

And it's literally a hidden asset because it lies beneath the floor.

of lifting two panels to expose an exceptionally serviceable engine.

And when you do need service, we recommend you to our specialist dealers.

They're all perfectly at home with our chassis variations-the 11 metre, the 10 metre, and the

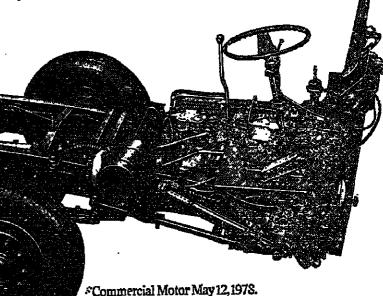
specially shortened 9 metre.

Different lengths, yes, but similar value.

Because each one is equally solid.

And equally, never ever heavy on the liquid.





This deadens noise, as well as creating room for your passengers. Yet it's a simple matter

1978 production in

Western Europe of buses and coaches of

over 6 tonnes gross

6,590

6,553

5,249

4 Bedford

Vehicles

4,723

3,571:

2,414

7 Scania

2,328

9 Kässbohrer Setra

BEDFORD

Output is

subsidiary of General Motors,

dispute

2,330

1.896

10 Pegaso

1,805

8 MAN

6 Volvo

2 Daimler-Benz

3 Iveco (Fiat-

Magirus Deutz)

5 Renault Industrial

vehicle weight 1 Leyland Vehicles

### Leyland shares top place in European league

UK runs neck and neck with The total employed in bus DAB, based in Denmark around Daimier-Benz of West Germany manufacture is about 8,000, 250; Guy Motors, 450 built-up as Western Europe's major including an allocation of those chassis and 1,100 knocked-down manufacturer of buses over 6 within other divisions involved tomes (25 passengers and in bus activities. A declining built-up chassis and 900 upwards).

part of bus manufacturing is knocked-down chassis depending

from the \$360m in 1973 to division at its plants at Leyland \$420m. Output in 1978 involved and Wolverhampton. A small 6.600 chassis or complete vehicles and 970 bus bodies. In 1979 production was 6,190 cassis or complete vhicles and 775 bus bodies.

The general manager of Leyman and managing director of Scotland. Leyland Vehicles. The passenger four business divisions within as follows: Leyland Vehicles and is Leyland responsible for his engineering. Bristol Commercial Vehicles,

Sales revenue last year rose undertaken by the heavy vehicle

element of largely truck-based land's passenger vehicle division passenger vehicle manufacture is Mr. W. K. Maciver, who is undertaken by the medium reports to Mr. J. D. Abell, chair-light vehicle division in

vehicle division is one of the business and their capacities are 1.859:

National,

IKARUS of Hungary is one chassis; Leyland Motors, 2,800

depending on the mix. Recent overseas contracts won by Leyland include those awarded by Tanzania (244 buses), Uganda (72), Kenya (188), Ghana (192), Australia (40), Iran (84) and Hong Kong (200). The group also recently announced it had been awarded an order for 200 buses by Iraq.

on the mix to be built; Albion

and Bathgate, around 1,000

In the home market, Leyland's Bus and coach manufacturing current contracts include those awarded by London Transport (250 Titans), Greater Man-chester (400 of the AN68s). Greater Giasgow (150 AN68s). service, demostic sales and 825 built-up charsis; Eastern West Yorkshire (60 AN68s marketing and most of the Coach Works, 650 bedies; and Ulsterbus (100 Leopards). Yorkshire (60 AN68s),

### Each factory a specialist

IVECO WAS formed in January clause in the original agreement business which makes special, 1975 as the result of an agree- and sold its 20 per cent 3 ment between Fiat of Italy, holding in Iveco to Fiat. which also controlled other commercial vehicle concerns OM, Laneia and Unic. and Kloeckner-Humbeldt-Deutz cf Germany. The two companies decided to hive off their truck and bus operations from the, parent organisations and merge

them into a joint company.

The formation of Iveco in this way was the first step towards the integration and rationalisation of the production of the five marques. The next stages followed automatically — the standardisation of the product range, the division of production on a specialised basis between the partner companies and finally the allocation of production between individual factories so that, for both components and finished products. each specialised in a particular

Iveco employs 50.000 people and has 14 factories in Europe. In January 1930 Kloeckner-

and sold its 20 per cent share- sophisticated hus bodies.

produces town. Iveco supurban and inter-city buses with passenger capacities ranging from five to 119. They are not manufactured in a special division but are produced at factories specialising in bus and bus component production which work in collaboration with other facilities within

#### **I**IVECO

The bus manufacturing plants are at Valle Ufita in Italy, which came on stream in 1978: Cameri, also in Italy, and Mainz in Germany, The Mainz facility, which also produces Magirus-Deutz trucks, was restructured recently.

In addition there is Orlandi in Modena which is 70 Humboldt-Deutz activated a per cent owned by Iveco, a Fiat).

Chassis for heavy

medium buses are manufac-tured at the SpA factory in Turin 35 well as at Mainz, Light bus chassis are manufactured by the OM subsidiary Brescia.

around 9,000 chassis and buses and in 1978 Iveco sold 6,500 and the following year 5,000 buses and chassis. The plants engaged in bus production employ about 3,000 people. licensees. They include TAM in Yugoslavia: Comeve in Unitugal; Mbellas in Greece;

OKS in Turkey; STIA in Tunisia: El Nasr in Egypt: Amce in Ethiopia: Vezerate Djang in Iran and AM in South Recent large contracts include 250 buses for Pakistan. about 200 tuses for Tunisia and Iveco is sending 200 to 300 buses a year to Libya. (Libya has a 9.6 per cent stake in

# Important Comecon

of Europe's bieger hus manufacturers and one of its country's major exporters. In 1978 exports of buses represented 6 per cent of the total Hungarian export turnover. Last year, of the output of more than 13,000 buses, more than 11,899 were exported. Output of 15,000 is planned. for this year.

The main markets for Dearus buses are the Comecountries for which

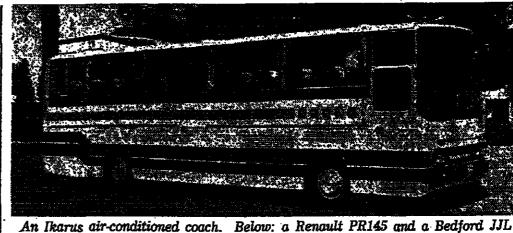
producer. The Soviet Union imports more than 6,000 Ikarus buses a year. Ikarus has also been doing "brisk business" in the developing countries, mainly in the Middle East but its buses are also on the roads in African, Asian and Latin American countries.

In four countries, Iraq, Angola, Cuba and Republic of Malagas, bus bodies are built from assembly units by local mannfacturers.

Bus production began in Hungary early in the 1900s but development gathered momentum after the second world war when indus-trialisation of the country on a large scale took place.

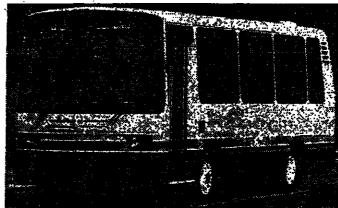
As a result, export figures grew spectacularly — 170 ses were exported in 1950. 1,200 in 1960, 7,200 in 1970 and nearly 12,600 last year. This volume puts Ikares in the league of the world's leading bus exporters. has licence agreements with. and buys certain components from, Renault, MAN and Scania.

Ikarus believes in the future of the articulated bus which it maintains bas great advantages in city traffic. The company now produces more than 2,000 articulated buses



Midi bus





### Result of traffic switch

SCANIA-BUSSAR of Katrine to acquire one of Sweden's lead-Saab-Scania do Brasil and holm, Sweden, a subsidiary of ing coachbuilders, Svenska Saab-Scania Argentina the Saab-Scania group is respon- Karosseri Verkstaderna ture and sales of Scania buses marketed in Sweden and elsetalje, but gradually have been Katrineholm.

The company was formed as a result of the major event in the history of Swedish road traffic—the change from left to right-hand traffic in September,

No fewer than half the 7,000 buses then operating in Sweden had to be replaced as just one of the many aspects involved in the change. The remainder required extensive conversion to adapt them to the new traffic

A considerable fall in demand for buses was anticipated after the change and Scania decided

of purposes: it released factory space and manpower at Soder-

#### SCANIA :

Scania production started in February, 1968, and during the summer of the following year the last bus activity still remaining at Sodertalie-bus chassis assembly — was transferred. Today Scania-Bussar has about 700 employees of whom about 220 are office staff.

Annual capacity in Sweden is around 2,000 chassis and 1,000 kits, depending on the product mix. round \$2.5m has recently plant. Buses are also made by

Turnover of Scania-Bussar in sible for the design, manufac- Katrineholm. This served two 1978 was equivalent ot \$55m and last year was about \$71m
These figures do not include the results in Latin America. where. These activities were taile for truck manufacturing the results in Latin America, previously centred on Soder and improved employment at where bus statistics are not separated from the truck and

diesel engine operations.

Recent orders for Scania included a breakthrough in the BEDFORD IS the truck and bus German market because Neoplan, the manufacturer of Jetliner bodies, bought 25 chassis. Finland has been a major production in 1931 at Luton customer, taking 100 chassis Scania has an order for 150 chassis for Angola and 250 for Iraq and Ikarus will provide bodywork. Tanzania has ordered

Syria is buying a further 80 chassis. This is a market of long-standing for Scania and it been spent to expand the has taken 550 chassis between

#### the world's biggest automotive business. Bedfard began bus and since then claims to have produced 110,000 buses and In 1954, bus and coach production was transferred to the truck facility at Dunstable,

Bedfordshire, and these vehicles continue to be turned out on one of the lines at Dunstable, a plant which employs in total 5,100 (including 4,000 hourlypaid people). In 1978 Bedford sold 4,200 buses and chassis. This dropped

to 3,523 last year because exports were down and production was adversely affected by the industrial dispute during the final quarter of 1979. About 1,200 to 1,500 of the annual output goes to the UK

market. Bedford says its "Y" RENAULT Industrial Vehicles their own name but to Renault series coach chassis is the bestseller in the UK with more than Overseas, Bedford buses and General Motors' subsidiaries in

Australia and New Zealand. In Pakistan. assembly is National Motors, in Bangladesh by Pragoti Industries and in Malaysia by Assembly Services.

M·A·N

Company at

production

### Plants' capacity is 4,000 a year

(RVI) was formed after mer-designs. ger of Berliet with Saviem and In Algeria, the State-owned 40 per cent of the market. the bus manufacturing division group continues to operate the former Berliet and Saviem plants, both in the Lyon region.



The former Berliet plant is at Velissiux, and that previously carrying the Saviem badge is 50 miles away at Annonay. Between them they have a capacity of around 4,000 completely city of around 4,000 completely for Beirut and a further 500 for built up buses a year and Zaire (of which around 200 employ 4,150. Output in 1978 have so fare been delivered). reached 3,571 buses and last lrag has taken 900 mini-bus year was 3,223. Turnover of the bus division, headed by Supplied by Ikarus of Hungary. M. Jean Jacquet, was around \$375m in 1979, representing more of these small bus chassis about one sixth of the sales. about one sixth of the sales

many operates/its bus manu-

a year.

UBO capacity is estimated at about 30,000 a year world-wide—there are 23 countries around

the world where its Mercedes buses are produced. The output

is made up mainly of smaller

buses but production of buses

at \$550m a year

DAIMLER-BENZ of West Ger- run the business.

over 6 tonnes was 6,553 in 1978. Sao Paulo in Brazil UBO is

operations are centred on companies in Greece, Indonesia

Mannheim, where a quartet of and Yugoslavia.

6,600 vehicles, mostly trucks, but between 500 and 1,000 were buses. In Poland, the Polmot organisation last year made around 4,000 buses. designated the PR1110 and based on the Berliet PR100 bus but using a Leyland engine. In Morroco, Berliet Maroc makes about 100 buses a year.

Among RVI's recent bus export contracts was one for 220

maximum -called the E24, and Venezuala income of RVI as a whole.

RVI has three licensees outside France making buses under the Ikarus bodies) in kit form.

There are also big plants at

Buenos Aires in Argentina and

### MAN (Maschinenfabrik Ausburg MAN (Maschinenfabrik Ausburg Nuernberg) of West Germany is 75 per cent owned by Gutehoffnungshuette, Europe's biggest engineering group. Its Penzberg plant is mainly involved in building standard MAN buses. In addition, Penz-berg constructs the substruc-Turnover estimated

tures for buses and semi-finished buses for coach builders and bus fitters all over the world. Touring coaches are built at the Watenstedt plant, which also makes trucks. There is also some production at The main German production Vienna. division called Unternehems of heavy buses takes place at Mannheim, where about 6,000 are employed on this part of short. UBO's turnover is unofficially estimated at \$550m a year.

IEO expecity is estimated at 100 persons are less built at 100 pusseldorf and Bremen. Capacity is about 2,500 buses

and coaches a year and last year output more or less matched capacity. About 95 per cent of the vehicles are sold complete with bodies.

MAN employs about 2,000 people in its bus and coach

operations and sales are estimated to be worth about \$265m a year. Its licensees include Ikarus of Hungary.

MAN won a contract last autumn for 400 double-deckers In Germany, UBO produced part-owner of a plant in buses from Baghdad Passenger 8,200 buses of all kinds in 1978 Turkey. Licensing arrange- Transport Services of Iraq This and 9,000 last year. UBO's ments have been made with was reckoned to be the first contract for double deck buses for any German manufacturer for 40 years. The deal has recently been extended and Iraq is taking another 200 of the

### managers, with responsibility Among the recent contracts for sales, finance, production and development respectively, buses for Israel. Algeria form a sort of "commission" to Major contract from Pakistan

VOLVO BUS Corporation is a main plant at Borsas.
separate company within the Assembly in other countries
Volvo group in Sweden and has is mainly by licensees. Outside Rolf Soderhielm as managing

director.

In 1978 Volvo Bus had a turnover equivalent to \$110m which
last year is estimated to have last year is estimated to naverisen to \$155m. Production in 1978 was 2,500 chassis and for UK, Brazil, Peru, Australia, 1979 is estimated at 3,500. The total installed capacity is nearly companies in Portugal, Greece, 5,500 vehicles a year.

5,500 vehicles a year.

About 1,000 employees are involved in Volvo Bus operations.

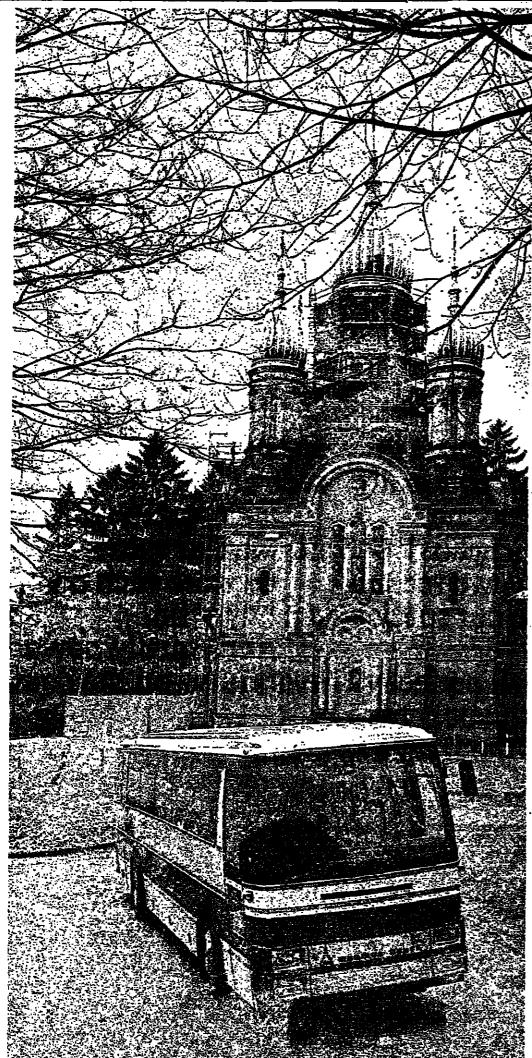
Production of components takes place at Volvo Bus has no body-building volvo Bus has no body-building volvo Bus has no body-building

Sweden, assembly takes place at Volvo-owned companies in the

plants in Sweden while hus activities. It has instead close two batches (the final assembly is carried out at the technical co-operation with body still to be delivered).

where its products are used. Among the major contracts recently won by Volve Bus was one for 300 chassis plus the planning of the public transport (including management, service layout, training of mechanics, new route networks and so on) for the city of Lahore in Pakistan.

The company has also won orders from Singapore (200) Copenhagen (140), Stockholm (250) Adelaide (100) and from Saloniki in Greece which will



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A world of experience

# Fleet buying beset with problems

"NOWADAYS, the best tool for encouraged Foden to produce engineering and maintenance continue much longer. bus purchasing is a crystal

ufact<sub>uren</sub>

The speaker was Mr. Angus Munro, director of planning of Greater Manchester Passenger Transport Executive. Like other transport executives elsewhere in the country, Greater Manchester is not finding it easy to reconcile ever-increasing cost pressures with the numerous uncertainties involved in the purchase of buses of bu

for the future. With a fleet of just under 3,000 buses, 90 per cent of them double-deckers, Manchester is among the country's largest operators. Its fleet serves a community of some 2.8m within a radius of 20 miles from Manchester's central Piccadilly area. The Greater Manchester

executive buys an average of 200 buses a year, the vast majority of them double-deckers. Thus it takes about 10 per cent of double-decker production destined for the home market.

Mr. Munro was not entirely happy when Leyland's "revolutionary" Titan bus, promising longer life, a better ride and easier maintenance, appeared ready to take over the entire double-decker market—and certainly that was BL's intention. Although the Titan was pre-sented as "the bus of the future," Mr. Munro, like others, was concerned both at the prospect of being subject to a mono-poly supplier and the adverse effect on the variety of smaller body and chassis-makers who traditionally had supplied the lanchester executive.

#### Proved right

In the event, Mr. Munro's concern was proved right. Two years ago, Manchester ordered 195 of the Titans as part of its rolling replacement programme. It expected to receive 50 this year, and 80 next. Now, with BL's decision to close the Park Royal plant where the Titan is made, blaming poor produc-tivity and an unco-operative work force, and uncertainty as to whether it will eventually be produced again elsewhere, the Manchester executive says it will receive only 15.

Fortunately for Manchester and other executives, the monopoly situation didn't emerge. At a time when the recession, a number of truckmakers were encouraged to life operating costs. And with produce bus chassis; bus body one third of Manchester's makers Northern

one; Dennis was persuaded to undertake a similar venture as, most significantly, was Metro-Cammell Weymann of Birming- is a vital factor in Manchester's ham, which developed the

"Metrobus" rival to the Titan. "If that proliferation hadn't cropped up, we would have really been really hurt by the Titan Munro.

Greater Manchester works on the basis of a 500,000-mile 13year life for its fleet, and about one-third of its fleet was registered before 1969. It has been able to switch

half its order to Metro-Cammell, which, with more than 1,400 Metrobus orders, has been expanding its plant and taking on several hundred extra workers at Birmingham. The other half has since gone to Northern Counties at Wigan. Thus a severe shortfall has

been avoided. But what perhaps now concerns the Manchester executive even more is the uncertainties in terms of operating costs presented by the requirement increasingly to purchase a new generation of vehicles which have had little chance to establish a track record of reliability.

"Technically, although they were more expensive than other buses, we thought the Titans looked like being very good. We thought that there would be maintenance savings air suspension is more reliable, for example—and its integral construction, rather than a body being mated to a chassis, should have given longer life."

The Titan, being bought in at about £45,000, is some 10-15 per cent reore expensive than its rivals—" but we felt, given apparent advantages, that this was justified."

problems, for an operator such as Manchester it is still relatively untried, as indeed are most other "new generation" double-deckers. "Our trouble is," says Mr. Munro, "that we have to order buses over the base for four years when the possible adverse impact of the measures on public road transport vehemently opposed the Bill, but the substantial may indicate that the next three or four years when the only real operational data refers to an older generation of vehicles."

To date, says Mr. Munro, truck industry was going into mileage necessary for Manchester fully to evaluate full-Counties operating costs accounted for by

work-its engineering establishment is 3,000 strong out of a total workforce of 12,500—this accounting. "That we don't have these long-term reliability projections is something we really regret," points out Mr.

#### Unrealistic

Yet at the same time, Mr. Munro accepts that standards of service move on and that it is not realistic to seek to continue to run buses which, however reliable, are outdated in terms of the features they offer.

Thus for the last few years it has been endeavouring to per-form a purchasing balancing act, allocating some orders still to tried and trusted vehicles such as the Northern Countieshodied Leyland AN68 and the Leyland PDR1/1, an Atlantean chassis bodied to Manchester's own "Mancunian" design—a situation which, Mr. Munro con- suitability—they are nearly all cedes, cannot be expected to single deckers—rule them out.

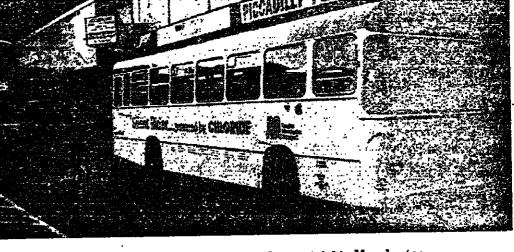
While Manchester tries to draw up interior specifications rather above the norm for public transport vehicles-"rou might say, to use a cars comparison, that we try and run Granadas compared with most running Minis"—it is still in Britain a question of asking manufacturers what they can offer, rather than the operator specifying precisely what he wants. This is a problem, Mr. Munro points out, stemming from Britain's peculiar concentration on double deckers, supplied to few places else-where in the world and thus subject to the constraints imposed on manufacturers by the lack of any great economies of scale.

Mr. Munro double deckers remain the most logical tool for Britain's cities, and that while Continental makers such as Mercedes, MAN and Deutz all offer high quality and reliable vehicles, cost and

Leyland's own National singledecker, now 10 years old and with a proven track record, adequately meets Manchester's single-decker needs, says Mr.

In any case, to continue the cars simile, if Manchester runs Granadas, "the Continentals run Rolls-Royces." They are better engineered, in opinion of Mr. Munro, "but when we were spending £20,000 on a bus the Germans, for example were spending £40,000; on buses that, for example, had automatically timed pre-heaters so that you could step into a warm interior even at 6 o'clock in the morning." For us, that kind of bus is simply too expensive. Nearly 90 per cent of our revenue comes from fares; the German transport authorities receive subsidies of anything up to

London Transport, dogged by reliability problems with its Fleetline buses as well as the uncertainty over the Titan, has something which the Manchester



The 51-seat Chloride electric bus on trial in Manchester

been pressing for prototypes of executive is investigating. its own-design bus, designated the XRM, to be put into production through sub-contracts to had two electric buses operating vehicle and body chassis in the city experimentally; one builders. Mr. Munro is sceptideveloped by Chloride, the other cal of such projects because of the possibility of development and production cost overruns, but he does feel that a case might be made for production of double deckers under licence in the north, and indeed this is

Manchester is looking at a number of other options: it has developed by Chloride, the other by Lucas. Both have had their electrical systems overhauled several times, it seems clear "One t that Manchester, at least, con-however," siders there is a long way to go before such buses achieve long- the perfect bus." term commercial and operating

Their silent operation is an acknowledged advantage, however; and for this reason, among others, it is also looking at the prospects and difficulties of reviving trolleybuses. A combined battery/trolley operation could yet prove feasible.

"One thing we're certain of, however," says Mr. Munro, "there's still no such thing as

John Griffiths

# Transport Bill offers greater freedom

THE GOVERNMENT'S Transfesto published before the last by the Traffic Commissioners. The greatest changes for port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bill, with its provisions for general election and resulted in for 50 years—has long been in passengers proposed in the Bill port Bi substantial changes in the way little opposition from the bus and coach operations are haulage sector. conducted in Britain,

expected to become law by the The broad object of those parts of the Bill aimed at the bus and coach industry is to encourage more open competition and less government in the

industry. The Bill had its second readhis was justified." ing in The House of Commons
But even without its special in November, when it was majority may indicate that the more Government will have little operators would damage the trouble in getting its proposed measures on to the Statute

> contains Bill measures to enable the Government to turn the State-owned National Freight Corporation

In contrast, the bus and coach industry expressed reservations may affect day-to-day operations. However, the Confederation of Road Passenger British Transport, which represents bus and coach operators, accepted that change was needed in the half-century old regulations governing the conduct of the industry. But it objected to industry. But it objected to many of the current proposals.

#### Competition

The Confederation's most obvious worry was that the Bill's provisions for allowing competition between routes lucrative companies shifted attention towards the bigger prizes on inter-city trunk services.

Mr. Norman Fowler, the Transport Minister responsible for the Bill, does not accept that into a company under the terms operators have any grounds for of the Companies Act. This measure was foreshadowed in the Conservative Party Manilance operators have any grounds for the believes that the substantial that the road service the operators and the passengers.

need of substantial change since it was introduced in the 1930 Road Traffic Act.

The Traffic Commissioners about much of the Bill as it have the job of controlling through the so-called " quantity licensing" system, the number operators on particular

This approach was started at a time when motorised bus and coach travel was a relatively new feature of transport. The measures were drafted to control the number of operators in the long term interests of the passengers and the operators, who may have found operating margins cut drastically if totally free competition was introduced.

Mr. Fowler, however, wants total freedom of operation, provided that vehicle maintenance and safety standards are adhered to. Drivers will also still be expected to conform to stringent regulations governing competence. But, aside from these controls in the interests of public safety, the Government

excursion tour operations. The "controlled monopoly,"

which has existed in the industry since the 1930 Act, will be replaced by an environment in which operators will have the right to operate a service of their choice provided, of course, that the safety and driver requirements are met.

It will be up to the objectors to the operator to present the case against the new service starting, rather than, as at present, for the operator to prove his case.

The main reason for the measures is the Government's determination to reduce the role of bureaucracies and Government in express bus and excursion tour operations as well as to increase competition. But the Bill has also been presented against a background of a steady decline in the use of buses. But use has halved since 1959, while in the same period the total mileage of all forms of public and private transport has approximately

although

"quantity controls" on express bus and tour operators are to be lifted, the Government has shown some concern for the impact its proposals may have had on passengers using local services. The Bill excludes all local services from exposure to regulations. These competition. services, except in a number of

test areas to be decided after approaches by local authorities to the Transport approaches Minister, will remain subject to "quantity" licensing con-

#### Campaign

Elsewhere, the quantity controls on long-distance services —those over 30 miles—will be removed as soon as the Bill becomes law.

A vigorous campaign to attract customers can be expected, especially on the prime routes between, for example, London and Birmingham and Bristol. Price cutting cannot be shops or tourist attractions is noise and brake regulations. likely to flow from operators

requirements, this time affecting the bus and coach manufacturers, can be expected to be in force by 1982, as Britain moves towards compliance with more European

Tighter brake and noise regulations for coaches operating in the Community members' countries are already the subject of intensive design work among British manufacturers, including Leyland Vehicles.

On noise the changes originally proposed a perceived noise level of 85 decibels from 1976. This has subsequently been reduced to 82 decibels. which will approximately halve the perceived noise level.

Leyland Vehicles, which employs a large staff to keep pace with changes required in design from new or prospective legislation, has estimated that on its current Atlantean double deck chasis, 10 per cent of the final cost is attributed to the ruled out and a range of need to implement design special offers, linked to hotels, changes to meet the 1982 EEC

Lynton McLain



#### LOMBARD

### A low surprise in the PSBR

BY SAMUEL BRITTAN

that had been expected. There policy. is a regular cycle in PSBR estimates from the shock horror figures that come out around November and to revisions early in the New Year. This time the downward change has been greater than usual. partly because of increased revenue expected from higher North Sea oil prices and deferred receipts of tax due in

These have more than offset and top officials, who expect an output drop of "only" 2 per a period based on the crop cent. The real technical cycle. argument, however, appears to be not on the forecasts themselves, but on the relation which is at least 13 per cent

For what it is worth, present £84bn to £9bn. The Chancellor over optimism on interest is likely to strain every nerve and every asset sale or massaging idea which can be proother than a hopeful PSBR duced to secure a figure nearer £8bn, and thus a clear drop

A respectable reason-or at least talking point — is Sir year. Geoffrey's Celtic background, and his advisers are desperately concerned to reduce nominal interest rates as soon as

On the main point Sir Geoffrey is right. It is certainly best for industry and employment to use any extra £1bn or £2bn to create conditions in which interest rates are able to move down and thus remove the louder than words. But actions artificial element in the sterling are rather limited in view of exchange rate. This is surely the political hang-up over better than to give an oldfashioned fiscal support to at the very least, a coherent demand from a high PSBR. The explanation of those actions issue is too important to be left which are taken, and some to highly inadequate forecasting guidelines which will disto highly inadequate forecasting models. But I fear that the link between public sector borrowing and interest rates is more long-Heath-style policy reversal, are term and less mechanical three essential if anti-inflationary

THERE IS every sign that the letting interest rates rise in Chancellor is planning to take the very short-term-evidenced it is far too seldom grown. It the City by surprise by budget-by the extremely unfortunate is small, however, and as I en-ing in 1980-81 for a Public special help given to the banks joyed it, I was aware that some Sector Borrowing Requirement last week-are undermining the of my flower beds are still sadly lower than the £9bn to £10bn credibility of counter-inflation in need of the opposite, height

> But it would be a hollow victory, if a slight forecast reduction in the PSBR were made an excuse to jettison the idea of a medium-term monetary framework. The forecast could go wrong in many ways.

and mass.

In the context of a medium term strategy for reducing monetary-growth public sector borrowing, a PSBR overshort in a recession year could be the gloomy initial reports from seen for what it is. So could the forecasters which are being short-term year-end fluctuations in the revenue yield. It is ferent views of both Ministers absurd that public sector and top officials, who expect an finances should still be tied to

If one remembers that the between economic activity and allowing for distortions—is still to be achieved; that there is a reluctance to reduce it much if estimates are for a PSBR of at all; and there is a risk of rates; and that a fall in sterling figure is needed. There must be some background analysis or explanation — which would be meaningless if confined to one

If the Prime Minister realised which makes him suspicious of how much ground she has talmudic justifications for high already lost from the delay in borrowing. But the serious publishing medium-term objected as that the Chancellor tives last year, and that a tives last year, and that a further Budget on traditional one-year only lines would be a sign that we were settling down to Latin American inflation rates, she would cross over from the ranks of sceptics to that of enthusiastic demanders to see the monetary framework "this instant."

Of course, actions speak interest rates and taxes. But tinguish short-term departures by spending Ministers from a Ministers would like to think; policy is to carry the slightest and political inhibitions about conviction.

Craven's Newsround. 5.10 God's

South-East only),

## Achieving height in a hurry

LAST WEEK it seemed that travagant, is the spectacular black tulips for contrast against category have served me often bring on the plants for massing spring had begun. I have never seen so many open flowers on tall cardiocrinum whose white single bulbs of the crocus, not trumpets of scented flowers hang into the contrast against category have served me often bring on the plants for massing as the base around which to in the border in June. They will and dark thatched roof. In the border in June, and dark thatched roof. The best known is, in a way, but the plants for massing the base around which to in the border in June. They will also say the best known is, in a way, but the plants for massing the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will also say the base around which to in the border in June. They will be also say the base around which the base around which the base around which seen so many open flowers on tall cardiocrinum whose white single bulbs of the crocus, not transpets of scental flowers have June, she moves the sunflowers. The best known is in a very limit to the crocus, not transpets of scental flowers have single bulbs of the crocus, not trumpets of scented flowers hang even the remarkable ancurensis like an enlarged regale !tly and variety which is as easy as any outclass anything else in the Dutch hybrid and just as cheap. scope of a small garden. The Able to throw up 18 rich yellow flowers from one original form, bulbs are expensive and . lmost than a year or two. You must give them a very rich, deep soil and feed them heavily with rotted manure. When happy, they dominate any border from the back row. Height, I think, is one of a

If you doubt this, visit the planter's most difficult probfamous white garden at Sissing-hurst Castle, Kent in mid-July lems. Height usually takes a while and without it a planting when you can enjoy the clumps lacks the dimension of contrast. of this titanic plant in flower. Contrast is central to a good They can reach their full flowerplanter's art. There are the usual tricks, the matching of the ing height in the first year after planting. If you want to pit spear-shaped leaves of the iris yourself against the grandest with the rounded clumps of an plant in the book, now is a good Aquilegia, the big leaves of a moment to order, stock and Hosta with the pointed leaves of a Hellebore. The very, very plant it. You can buy it, at a price, from Wallace and Barr of tall and very low are a less Marden, Kent. familiar contrast in a garden, but I have seen an excellent Why not stay with the easy

sunflower, you might wonder? I have never found the right place in this country for these rank plants. You see them sometimes in the Fens, growing beside the small white cottages where they suit their surroundings. If you find yourself in such a garden, you might like the ingenious plantings of an East Anglian friend. In spring, she masses One answer, if you are ex- forget-me-nots and maroon- a backbone. The plants in this

Now is a good moment to order impossible to keep for more off in individual plant pots in a pruning this as a shrub, you can warm place. But beware of the

into their place and does not the filmsiest. Florists have reaches four foot and may well object when they bend their alerted us all to the merits of survive a mild winter. heads on their coarse stems. leaves on a eucalyptus before the young growth coarsens and

sunflower seeds and start them becomes pointed and long. By the wild ones but these are quite stop it turning its leaves to a smaller hybrid sorts which have dull maturity, and spare your. leaved forms, the crept onto the market. Sun- self a drab tree plant. The best flowers exist to be giants, and forms of eucalyptus grow like three plants go a long way. three plants go a long way. cress from seed, so you can The hollyhock, of course, is raise enough in one year to use

#### **GARDENS TODAY**

BY ROBIN LANE FOX

a natural pair for quick height and some good two-year-old little cost.
plants of this splendid flower are When on sale in many garden centres at the moment. The colours will be a random mixture, but owners of new gardens should make the most of them for a young backbone.

As for myself, I am more drawn to plants which are better known as trees. For a quick mass and height in a new border, I often recommend here the planting of soft-wooded trees in certain varieties which can be pruned hard as shrubs. Every border of any size needs as a thicket in a border at very

When gardeners first dis-

covered it, the eucalyptus was believed to fly as high as an Australian oil-share. hundred, three hundred feet stories about its shape grew taller and taller until a prize of £1,200 was offered in 1880 for the first report of a 400 ft eucalyptus in the wild. The race reached 326 ft and has stopped there ever since. That is enough to remind you of the speed and size of these extraordinary trees. If you are short of density, sow seeds of Eucalyptus citriodorus, the lemon-scented variety, and

Elder bushes are just as useful. I still have a soft spot for unmanageable in any garden. I think instead of the golden coarse Sambucus nigra which thrives in sunshine in the soil which builders leave behind them and

which makes a good home in

deep soil in shade.

The latter is much the finer of the two and is invaluable for any shaded border which needs body at an early age. I cannot imagine why some books call ittemperamental. It will reach six feet by four feet within a few years Its leaves are a lovely green-gold, the best peg on which to hang a shaded planting of yellows and greens, a fashionable pair. This elder is particularly in my mind this week because its small clusters of leaves are beginning to swell and open into young reddish growth along the hard branches. pruned, though the stems them-

plant becomes too think and wide for most flower beds. Cut into it and bring it under your control over the next few weeks. If you do this, you can use it almost anywhere in deep soil.

Perhaps you expect me to end with the Tree of Heaven, or Ailanthus. It is a familiar tree, 100 ft or more at maturity but sometimes the books add that you can grow it like a weed from seed and prune it hard to improve its long stems of pinnate leaves. This does inthe delicately cut-leaved sort deed give you a bulky shrub about four feet high whose leaves are exceptionally conlent. Prune it hard in March and you will be pleased with this cheap and quick source of

On balance, though, I would look first to something similar. the well-known Rhus tything, the so-called stag's horn sumach or Automa Boutire tree. Here, you can prune the tree just as hard but the pinnate on this satin-stemmed plant will also turn a fiery red and orange in autumn. You can thin it and shape it to six feet or so more easily than the growth along the hard branches. Trees of Heaven when grown They look too fragile to be as bushes. As a garden tree, this Rhus is almost too familiar selves are typically solid. In Though very quick to grow and fact, you should prune this tall spread as a shrub, it is less shrub quite firmly in spring often remembered, but it fits whenever you want to curb it. with my other seasonal sugges-Otherwise, its leaves grow more tions to lift a new border at green than gold and the whole once off the ground.

CINEMAS

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5.15. 8.15.
5.15. 8.15.
5.20 SAU (AN) PROS. 1.40, 4.00.
5.20 SAU (AN) PROS. 1.40, 4.00.
5.20 SAU (AN) PROS. 1.40, 4.00.
5.20 SAU (AN) Alen MANHAITAN (AA).
7.005 DA (SV) THE HUMAN FACTOR
(AA) PROS. 2.00, 4.50, 7.55.
5. THE LORD OF THE RINGS (A). Sepperts. 2.00, 5.00, 8.00.

CURZON, Carzoo Street, W.1. 498 5737. LEE REMICK in THE EUROPZAIS (U). Progs, 2.00 (not Sun.) 4.00, 6.20, 8.40. Must end-Wednesday, March 5th

DDEON HAYMARKET (950 2738-2771) Jill Clayburgh in Bertolicci's to Line CO. Sep. perts. Wis. 1.45, 5.05, 8.10.

ODEON LEICESTER SQUARE (930 6111).
The Brack Note IA, Sep. Perts. Div. 1.45, 5.00, 8.15. All Seats May Be Booked at Sep. Open Sep. 1.45, 5.00, 8.15. All Seats May Be Booked at Sep. Perts. Div. 1.45, 5.00 for the Circkno's Nest (XO, Sep. props. Sun. Fri. 3.45, 7.40, Sat. 1.15, 4.40, 8.05. Evening Perf and Weekends May Be Booked in Advance.

PRINCE CHARLES, Lek. Sq. 457 8181.
World Premiere Presentation NiGHT
GAMES CO. Sep. perfs. dly. (inc. Sep.)
2.45. 5.25. 8.35. Labs show Fri. and Sat.
11.15. Seats bibble. Lic'd tar.

STUDIO 2. S & 4. Oxford Circus. 437 3300. Licensed Bains. 12.30. 7243. 5.25. 30.57 Lab Show S2. 11.00. 31. THE DEER HUNTER (XI. 12.45. 4.05. 7. 30. Lake Show Saturday 10.50.

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March 1. Adm. Free.

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### 'Racehorses 1979' out soon

IF THERE is one publication taining. above all others anticipated over the winter, it is Timeform Racehorses annual.

border which matches tall

groups of eight-foot bamboo

with carpets of herbaceous Potentilla as a low carpet. Few

of us have the room for quite

such majesty, but many are on

the look-out for height and mass at about four feet to form a

contrast to plantings which are

knitting together more quickly

in the front row.

Racehorses 1979 will be on sale shortly, and, needless to say, readers are unlikely to be disappointed.

Running to around 1,000 pages of words and pictures, Racehorses 1979 not only deals

#### RACING

BY DOMINIC WIGAN

with each of the 6,000 or so horses that ran last season, but also looks ahead to the prospects of classic contenders and others likely to be a force in

As anticipated, the essays on the leading performers of 1979 are both informative and enter- Jockev-Club."

Scotland—12.46-12.45 pm The Scotland News. 5.55-6.20 Report-ing Scotland. 12.02 am News and

Furthermore, Timewill claim that the essays do not offer food for thought.

The piece concerning Troy puts forward this interesting and valid question-mark against the widely held claim that the Derby remains the supreme test of the thoroughbred over 11

"As a measure of racing

merit, the Derby compares un-favourably with the King George; very few Derby winners have been better than the King George winner of their year. By far the most important differences between the two races are that, whereas the Derby is confined to three-yearolds, the Ascot race is also open to older horses; and the French often send their best to Ascot, whereas they rarely do because of its clash with the Prix de

10.00 News. 10.30 Disappearing World

12.25 am Close: Bernard Repton

**ANGLIA** 

ATV

12.30 pm The Electric Theatre Show.
1.20 ATV Newsdesk. 2.45 The Love
Boat. 4.45 White Licht. 5.15 Mind
Your Language. 8.00 ATV Today.
11.15 ATV Newsdesk. 11.20 1390
Butlins Grand Masters Darts Championship. 11.50 Celebration.

BORDER

1.20 pm Border News. 2.45 House-party. 3.15 Monay-Go-Round. 5.15 White Light. 5.15 Happy Days, 6.00 Looksround Wednesday. 10.29 Border Weather. 11.30 Police Surgeon. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News.
"hat's On Where and Weather. 2.45
The Electric Theatre Show. 3.15
Money-Go-Round. 4.45 White Light.
5.15 Mekin' it. 6.00 Channel News.
6.10 Link Up. 10.28 Channel Late
News. 11.15 Celebrity Concert (Pat
Boone). 12.10 am Epilogue followed
by News and Weather in French.

GRAMPIAN
9.25 am First Thing, 1.20 pm
North News Headlines, 2.50 Houseparty. 3.20 Merry-Go-Round, 5.15
Survival, 6.00 North Tonight, 11.15
Celebration, 11.45 Reflections, 11.50
Police Surgeon, 12.15 am North Late
Night Headlines,

GRANADA

reads poems by William

11.15 Thames Arts.

11.30 Barnaby Jones.

form's writers are not afraid this equally valid point: "The with as much relish as almost of controversy and, although Derby is seldom nowadays the anything else by Flat Racing some will disagree with a nummost rigorous test a three-year-over the winter, it is Timeform ber of the views held, few old faces in the course of a full season."

Although it would be surpris ing were that not the case with the Blue Riband coming so believe that Britain boasts the supreme test of a middledistance thoroughbred in the King George VI.

For, if it can be argued that a three-year-old is unlikely to have reached its true potential by June, it is equally fair to make the point that, come " Arc Day," a great many of the best are over the top and not the force they were in the summer. Racehorses 1979 is discussed further tomorrow.

WINDSOR 2.30—Isle Of Man\*

3.00—Celtic Isle 3.30—Border Incident\*\* 4.30—Trojan's Centenary\*\*\*

roads, 6.00 Report West, 6.30 Three Utile Words, 11.15 Fireside Theatre, HTV Cymru/Walss—As HTV West HTV General Service expect, 1.20 pm Penawdau Newyddion Y Dydd, 1.25-1.30 Report Walss Headlines, 4.45-5.15 Ni A NHW, 6.00 Y Dydd, 6.15-6.30 Report Walss.

SCOTTISH All IBA Regions as London except at the following times:—

1.20 pm News and Road and Weather. 1.30 The Rolf Harris Show. 2.50 The New Avengers. 4.45 White Light. 5.15 Tales of Crime. 5.20 Crossroads. 8.00 Scotland Today. 6.30 Emmerdale Farm. 11.15 Late 1.25 pm Anglie News. 2.45 House-party. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Barney Miller. 6.00 Masters Derts Championship. SOUTHERN

1.20 pm Southern News. 2.45 House-party. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.25 Scene Midweek (South East area only). 11.15 Southern News Extre. 11.20 Equilibrium

TYNE TEES S.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Where the Jobs ara. 2.45 The Electric Theatre Show. 3.15 Money-Go-Round. 4.45 The White Lilght. 5.15 Bailey's 8ird. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northem Life. 11.15 North East News Headlines. 11.20 Side Street. 12.20 am Elpilogue.

ULSTER 1.20 pm Lunchims. 2.50 Money-Ge-Round. 3.15 Selwyn, 4.13 Ulster News Headlines. 4.45 White Light. 5.16 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Weether. 11.15 Soap. 11.46 Bedtime.

Westher. 11.15 Soap. 11.46 Bedullis.

WESTWARD

12.27 pra Gus Honeybun's Birthdays.
1.28 Westward News Headlines. 2.45
The Electric Theatre Show. 3.15
Money-Go-Round. 4.45 White Light.
5.15 Makin' It. 6.00 Westward Diary.
10.28 Westward Late News. 11.15
Cetabrity Concert (Pat Boone). 12.10
am Faith For Life. 12.15 West Country
Weather and Shipping Forecast.

YORKSHIRE

ment. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 8.30 Rush
Hour. 10.03 The Rubbie Vincent Telephone Programme. 1.03 pm London
Live 3.03 John Toogood's Showcoss.
4.30 London News Desk. 5.35 Look.
Stop. Listen. 7.03 Black Londoners.
8.00 Question Time from the House of
Commons. 9.00-5.00 am John Radio 2.

Tondon Procedenctions

Music.

### ENTERTAINMENT GUIDE

ALDWYCH 5. CC. 836 6404. Info. 836
5332 ROYAL SHAKESPEARE COMPANY in repertoirs. THE GREEKS. Ten
Greek plays given 35 a trilogy 'Scelbinding' The Times. Ton't Fri. 7,30 (sold
out) Pt. 1 THE WAR. Tomor, 38t. 2,00
(sold out) Pt. 2 THE MURDERS. Tomor,
Sat. 7,30 (sold out) Pt. 3 THE GOOS.
RSC also at The Warehouse and at
Piccadilly Thesize.

AMBASSADORS. S. CC. 01-836 1171. Opens March 3, 7.00. Sub Evgs. 8.00. Fri. Sat. 5.00 & 8.00-EMILYN WILLIAMS as DYLAN THOMAS GROWING UP.

10.35 The Adventure World of Sir Edmund Hilary. 11.04 For Schools (continued). 1.20 Calender News. 2.45 Three Little Words. 3.15 Money-Go-Round. 4.45 White Light. 5.15 Bailey's Bird. 6.00 Calendar (Emley Moor and Belmont editions). 11.15 Have Girls, Will Travel. 12.15 am Barney Miller.

HTV 1.20 pm Report West Headlines. 2.45 The Outsiders. 4.45 White Light. 5.15 Comey Concerto. 5.20 Cross-**Radio Wavelengths** BBC Radio London: 1458kHz, 206m, 94.9vid

COLISEUM. Credit cards 240 5258.
Reservations 836 3187 ENGLISH
NATIONAL OPERA. Tonight & Pri. 7.30:
The Merry Widow. Thurs & Mon., 7.30:
Don Glovanii. Sat. & Tues. 7.00: Manon104 balcomy seats avali. from 10 am on

COVERT GARDEN, CC. S. 240 1065. (Gardencharge credit cards 836 6903). THE ROYAL BALLET. Ton't & Fri. 7.30: Four Schumann Pieces/A Month in the Country/Effte Syncopations Sat. & Mon. 7.30: La Fin du leur/Volyntaries/Mam'selle Angot Tue. 7.30: The Steeping Beauty. THE ROYAL OPERA. Tomor. 7.30: Eugene Guegin. 65 Amphi. seats avoil. for all perfs. from 10am on day of perf.

AMBASSADORS. CC. 01-836 1171.
Eygs. 8:00. Frt. and Sat. 5:30 and 8:30.
DINSDALE LANDEN GWENN WATFORD.
DAVID BURKE ANGELA DOWN In
BODIES by James Saunders. Last weeks
—must end March 1st.

CRITERION, 930 3216. CC bookings 279 6565. Group Bloss. 836 39672. Eyes. 8.00. Sat. 6.30 and 8.30. Thurs. met. 3.00. HALF PRICE PERFS. Mon. Eyes. Ther. Met. Nett. SIMON'S LAST OF THE RED HOT LOVERS.

HER MAJESTY'S THEATRE. 930 S605.
Opening March 19 The award winning Broadway Maskal ON THE TWENTER'S ROBUST ON THE PROVINGEN TYPE TO MARCH 10.

KINGS HEAD, 225 1818. Prev. Too's. Der. 7. Show 8, press Bight Tombor, Dhr. 6.30, Show 7.30. CATCHPENNY TWIST by Stewart Perker

MAY FAIR. S CC. 01-529 3036, Mon-Time 8.00, Frl. Sat. 6.00, 8.45, SUSANNAH YORK. DANIEL MASSEY, DONALD PICKERING, FRANCES WHITE In APPEARANCES by Simon Benmusse after Heary James.

### THEATRES

NATIONAL THEATRS 'S' CC. 928 2252.
DLIVIER (coon size): Ton't & Tomor.
7.30 AS YOU LIKE IT by Shakespeare
(Richard Ill must end 8 March Extra
Benefit Bert. Sunday 24 Feb.).
LYTTELTON coroscopium sizepi! Today 3
(low price mel.) & 7.45 DEATH OF A.
LYTTELTON coroscopium sizepi! Today 3
(low price mel.) & 7.45 DEATH OF A.
COTTESLOE (small auditorium—all tics.
6.250. Sudent Standby £1.201: Eugene
O'Neill Sesson: Previews from 26 Feb.
at 5.30 (not 6.30 as in leaflet) THE
KCEMAN COMETH (Please be punctual—assis for a park Restaurant
288 2035. Credit card bios. 828 3052
PALACE. CC. 01-437 6834. Mon.-Thurs.
200. Fr. St. 6874. by The Rice and
Andrew Lloyd-Webber. Group sales
10-379 6061.

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SECOND YEAR OF TOM STOPPARD'S
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Wood. BEST PLAY OF THE YEAR.
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WEEKS. MUST END MARCH 15.

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WEMBLEY AREMA 01-902 1224. LAST 10 PERRS of the lawfar HOLIDAY ON TICE Unit 5rt. 7.45. Mar. Today & Today & Today. C. S. S. S. Sons. 3 & S. Sons. 4 & S. Sons. 5 & S.

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† Indicates programme in black and white

#### BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Playboard, 2.01 For Schools, Colleges 3.25 Children's Wardrobe. 3.53 Regional News for England (except London). 3.55 Play (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20

5.40 News. 5.55 Nationwide (London and Weather for Scotland. 6.20 Nationwide.

6.55 Olympic Grandstand. 8.25 The Two Ronnies. 9.00 News. 9.25 Open Secret. 9.55 Sportsnight 11.00 News Headlines. 11.02 Parkinson with guests.

m Was

Wonderful Railway.

News. All Regions as BBC 1 except as

Wales—11.02-11.22 am I Ysgolion. 5.10-5.40 pm Bilidow-car. 5.55-6.20 Wales Today. 6.20-

6.55 Heddiw. 12.02 am News and Weather for Wales. The Backyard, 4.25 Jackanory, 4.40 Take Hart, 5.00 John F.T. CROSSWORD PUZZLE No. 4,205

#### **ACROSS**

- 1 Old-fashioned judges level the score (6, 8) 10 Ought first person to go to Georgia in the end? (5)
- 12 Dance with the cavalry (7) 13 Well-bred chap joins slippery 17 Not much possibility of customer (7) 14 Put down wine (5)

16 A fathead stood opposite to

11 Town to help put money on

(5, 1, 3)

19 Fiery X leads baby African 20 Considered blushing interior (5)

be insulted (9)

- 22 Seems in another way to need retribution (7) 25 Stop at sea to give male a forbidding power (5, 2)
- 27 Make crazy cousin sip small quantity (9) 28 Support railways expert (5) 29 Drunken hothead mistaking

#### fish dish (7, 7)

- 2 Face card with correspondence in support of roof (5, 4)
- 3 Open-mouthed at love feast 4 Two points to allow worker

5 Close-knit family given key to loud noise (5) .

by the way (2, 7)

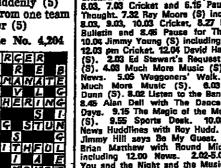
- (3. 2. 4) 7 Toff the French elevated (5) 8 Decided to stay and live with daughter (7)
- stay put (4, 5)
- man (6) 23 Sum up individual with hundred notes (5) 24 Cast started suddenly (5)



- 9 Party left to cut off lump (6).
- Surrender (5, 2) 21 Doctor finished with herds-



- member of the Amadeus 15 Doesn't go bad until order to
- getting big fortune (3, 6) 18 Store for produce of 10% taxpayers (5, 4) 19 Workmen promoted call to



#### Northern Ireland-3.53-3.55 nm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.02 am News and Weather for Northern England—5.55-6.20 pm Look East (Norwich); Look North

(Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton): Spotlight About Anglia. 11.15 Celebrity Concert. 12.10 am The Big Question.

BBC 2 6.40-7.55 am Open University. 19.20 Gharbar 11.00 Play School. 450 pm Open University. †5.40 Laurel and Hardy in "Oliver The Eighth."

6.05 The Paul Daniels Magic 6.40 The Master Game. 7.10 News.

7.20 Mr. Smith's Indoor Garden. 7.45 Arena. 8.20 Midweek Musical: "Sweet Charity," starring Shirley

10.45 Newsnight. 11.39 Open Door 12.00 Closedown reading. LONDON

9.30 am Schools Programmes.
12.00 The Adventures of Rupert
Bear. 12.10 pm Rainbow. 12.30
The Sullivans. 1.00 News, plus
FT Index. 1.20 Thames News,
1.30 Take the High Road. 2.00
After Noon Plus. 2.45 The Outsiders. 3.45 Hobson's Choice. 4.15
The Scott Shows 4.45 The 1.15 The Sooty Show. 4.45 The Life

and Times of Grizzly Adams. 5.45 News. 6.00 Thames News.

6.35 Crossroads. 7.00 This Is Your Life. 7.30 Coronation Street.

8.00 "The Hard Way," star-ring Patrick McGoohan. 9.35 George and Mildred.

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(5) Stereophonic broadcast.

\$\frac{1}{2}\$ Medium wave.

\$5.00 am As Radio 2. 6.00 Dave Lee
Travis. \$0.00 Simon Bates. \$11.31 Paul
Burnett. \$2.00 Peter Powall. \$4.31 Kid
Jensen. \$7.00 Radio 1 Mailbag. \$0.00

Mike Read. \$9.50 Newsbeat. \$10.00

John Peel (\$). \$12.00-5.00 am As
Radio 2.

RADIO 2

\$5.00 am News Summary. \$0.03

Cricket. \$0.40 Steve Jones (\$) Including \$6.03, \$7.03 Cricket and \$6.15 Pause for 1 Thought. \$7.32 Ray Moore (\$) Including \$8.03, \$7.03 Cricket and \$6.15 Pause for 1 Thought. \$7.32 Ray Moore (\$) Including \$8.03, \$7.03 Cricket and \$6.15 Pause for 1 Thought. \$7.32 Ray Moore (\$) Including \$8.03, \$7.03 Cricket. \$2.7 Rading \$1.00 News. \$9.05 Cricket. \$2.7 Rading \$1.00 News. \$9.05 This Week's \$1.00 News. \$9.05 Shipping Foreast. \$9.00 News. \$9.05 Shipping Foreast. \$9.00 News. \$9.05 Shipping Foreast. \$9.00 News. \$9.05 Midweek with Russell Harty. \$9.00 News. \$9.05 Midweek with Russell H

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RADIO 4
6.00 am News Briefing. 6.10 Ferming Today. 8.25 Shipping Forecast. 6.30 Today, Including 6.45 Frayer for the Day: 7.00, 8.00 Today's News; 7.30. 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Perliament. 9.00 News. 9.05 Midweek with Russell Harty. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Four Frightened People. 11.00 News. 11.05 Baker's Dozen. 12.00 News. 12.02 pm You and Yours. 12.27

Double Act. 12.56 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 2.00 News. 3.02 Listen With Mather. 3.75 Afternoon Theatrs. 4.09 Choral Evensong (S). 4.45 Short Story. 5.00 PMI. News magazins. 5.50 Shipping Forecast. 5.55 Weather; programms news. 6.00 News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 On the Town in Los Angeles. 8.30 A Sideways Look at ... 8.45 Anelysis: The South Africans. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The Life and Times of the Orchestra (S). 11.00 A Book at Sectime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

London Broadcasting
6.00 am AM with Bob Holness and
Douglas Cameron. -10.00 The Brian
Hayes Show. 12.00 LBC Reports.
8.00 pm Jazz After Eight—Keith Howell.
9.00 Jenny Lacey—Nightline with James
McGovern on Legal Advice. 12.00
LBC Reports Midnight. 1.00 am Carol
Allen—Night Extra. 5.00 Morning
Mustic.

Music.

Capital Radio

6.00 am Graham Dene's Breakfast
Show (S). 9.00 Michael Aspal (S).
12.00 Deve Cash (S). 3.00 pm. Roger
Scott (S). 7.00 London Todsy (S).
7.30 Adrian Love's Open Line (S).
8.00 Nicky Horne's Your Mother
Wouldn't Like It (S).
11.00 Tony
Mystt's Lets Show (S). 2.00 am
Duncan Johnson's Night Flight (S).

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1.20 pm Granada Raports. 2.00 Live From Two. 2.50 Money-Go-Round. 3.20 The Wild, Wild World of Animals. 45 White Light. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Happy Days. 11.15 Bluey.

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ROYAL BALLET Tonight & Tomorrow 7.30:
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#### THE ARTS

Theatre Royal, Bristol

# A Midsummer Night's Dream

by B. A. YOUNG

Richard Cottrell, in what is to be his penultimate production for the Bristol Old Vic, has gone more keenly for comedy than usual in this Dream. There is little genuine affection between the four young people whose changeable fidelities form the backbone of the story, they are pawns in the mad magic game of chess that Oberon and Puck play in the woods. The girls especially make the most of it, Caroline Holdaway as a squat domestic Hermia and Louise Jameson as a lively Helena almost a head taller.

Miss Holdaway, for all her quiet looks, is still the vixen Helena says she was at school. When Lysander says "Hang off, thou cat, thou burr!" it is because she has him on the ground in a half nelson. At "never so weary, never so in woe," she is crawling sturdily through the bush on all fours like a stalking tiger. What two such well bred boys as John Telfer and Gregory Martyn (Lysander and Demetrius) want with such girls is a mystery.

The mechanicals are given off as he chases her around the Moreover, he speaks the verse in another world, a dark leaf every opportunity for slapstick, wall. especially in their play. Bottom especially in their play, softom is a tall, handsome man (Clive Wood) who clearly holds the built up into a star part, and kind of esteem among his mates kind of esteem among his mates that Kevin Keegan would treatment. He looks like a poetic plays.

The attendant fairless are all but the formulation of the whole production, it is iteristic of the whole is never so funny that it which Oberon and Titania which is never so funny that it which Oberon and Meg (Robert O'Mahoney and Meg Davies) are natural inhabitants. The attendant fairless are all but the control of the con today, and he knows it. He gets drawing of a goblin from a Vic-Buffery) to play Thisbe to his leaps about like a young frog. age of Theseus's palace dis- diabolical fairy court which Jan Pyramus, and is not taking any The performance is one of depth appears after two scenes, and in Kott imagines in Shakespeare chances of her getting part of all the same the embarrassed front of a black cyclorama there. Our Contemporary, Mr. Cottrell his sixpence a day; it is surely shame at the result of his is a triple spray of light from has certainly other matters to no accident that he pulls her wig errors is positively distressing. above. When this clears we are offer us besides laughter.



John Teffer, Louise Jameson and Caroline Holdaway

to perfection, and this is charac- spangled forest closer to Fairy-In such a production, it is teristic of the whole production. land than to Athens, a world in

oday, and he knows it. He gets drawing of a goblin from a Vic- Bob Crowley's sets are charm- one mature young men in a sinitough young man (Mark torian picture book, and he ing. The austere marble front- ster make up that suggests the

Covent Garden

### Eugene Onegin by DAVID MURRAY

If the temperature of this from something less like mili-plausibility of his own. Chaikovsky revival remained a tary precision in the striking little cool on Monday, it was of the later climaxes.

The new Tatyana. Eugenia fully, the effect of this Onegin anxiety tive in the performance. As the curtain rose on the scene for the duel by the frozen river, in fact, an icy draught struck is pale, book-haunted, painfully appearance in the performance. As the Moldoveanu — another Romatin total is compelling. Thanks bridge's nurse—not the earth-to Julia Trevelyan Oman's motherly figure probably wonderfully appearance delicate intended—brings the affair settings—not just "sets." but within recognisable range of the stalls to very appropriate -- self-conscious and prickly; it is if fortuitous—effect. This scene surely a tactical error that she easily at home—as well as to which is useful; and in the and the preceding party at the scarcely smiles, and yet the Downes' concern to give full modest role of Prince Granus Larins' had been admirably character is caught impressively. directed by Richard Gregson; Her voice has a bright edge that Chaikovsky's score, rich and settles, the simple, rock-like the whole opera looked more contributed to the slight grim- fragile at once, the sense of a sincerity of Gwynne Howell is like creative company-work ness of her epistolary anguish-than Covent Garden generally ing (she has been given far contrives. Smaller roles were too little to do there, and the taken full-bloodedly; Linda essential vulnerability is not Finnie's busily amiable Larina, seen). Bitter maturity becomes Francis Egerton's eager (and her excellently in the last act charmingly sung) Monsieur—just where the histrionic Triquet and a sharp cameo of constraints of Yuri Masurok's the Captain by Norman Welsby Onegin prove at last too narrow.

the score with loyal fervour, politan graces for the impressed The Waltz and the Polonaise provincials: very much to the sprang exuberantly to life, and point, he coaxed melting solos from diction his oboe, clarinet and horn; the focused tone. He is shaken, orchestra was perhaps too but still properly dignified, at keenly forward in Lensky's aria the fatal duel. At the end, -sung with exquisite poig- though, where his feelings rise nancy by Stuart Burrows and up and overwhelm him, he finds in Onegin's aria of self-only conventional gestures with discovery in the Polonaise which to signal that; a pity, in Tatyana's letter-scene, so stylish a performance. which remained stubbornly unmoving, might have gained from more tremulously expressive strings at the outset, and

#### \$110,000 for World Heritage Fund

The Federal Republic of Germany has announced a contri- tion to no bution of \$110,000 to Unesco's stantially

of Germany to Unesco, also manner announced that, beginning with sion de 1981, Germany intends to con-foolish 1981, Germany intends to confoolish romance tribute an amount correspond impetuous challenge ing to 1 per cent of its regular peculiar and uncomfortable. It contribution to Unesco's budget is not Burrows' fault, and he to the World Heritage Fund.

Earlier in the action he pads were notable. Earlier in the action he pads
Edward Downes, very welcome back in the pit, delivered
pered cat, displaying his metropoint, along with his elegant scrupulously

The relation between other leading pair, as presented here, is faintly rum and a long way from Pushkin/Chaikovsky. No complaints at all about Claire Powell's gauche and sprightly Olga, all girlish trans-ports and eye-rolling, sung with warmth and lively precision; she even resists the obvious temptation to make Olga more subbution of \$110,000 to Unesco's stantially sympathetic than World Heritage Fund for the would be good for the story. But period 1979-80.

Established in 1972 the fund is used for international assistance for the protection and an arrangement of the story. Sat her Lensky... If in Chekhovian terms Miss Moldoveanu is too much a Varya and too little ance for the protection and Anya, then Mr. Burrows has preservation of monuments made that volatile young idealist which have been included in into quite another Chekhovian the World Heritage Fund. paradigm, the hopeless old In a letter to Unesco Director family friend. Close one's eyes, General Amadou Mahtar M Bow, and the true Lensky is there in Mr. Wilhelm Fabricius, Ambassador of the Federal Republic of Germany to Unesco, also manner contradict the impression sion decisively, and the high foolish romance of the

settings in which the action is the homely county decencies.

upon kindly people on the Even with these failures fringes of the great world is among the principals to connect continuously vivid. The prim of Elizabeth Bain-Downes' concern to give full modest role of Prince Gremin, value to all the details of for whom at last Tatyana



Eugenia Moldoveanu

Television

### Time for the good news

by CHRIS DUNKLEY



Some of the Newsnight team: Fran Morrison, Peter Snow, David Davies and Charles Wheeler.

Lomax and David Sells) whose faces and voices have become so familiar to both viewers and listeners, are actually being allowed, as this column has so often urged that they should, to behave like professional adult observers, capable of reasoning and judgment. By the same token they are being allowed to treat us, the viewers, as though we are grown up too, and capable of trusting or doubting their interpretations according not only sounds human when she to the credibility we attach to them in the light of other reads the news but has some dress sense, too, a characteristic sources and in view of their records.

As changes in mass comlions of sitting-rooms. And in
munications go this may at first

Peter Snow they have a star presenter whose years at ITN have ensured that he can stay cool while flying even the most chaotic programme by the seut of his pants if necessary, and

sight seem to be a very small one. However, with the coming of Newsnight which reaches its 13th edition tonight, the BBC has for the first time in its history combined the efforts of its traditionally warring news and current affairs empires to produce a nightly programme well, Monday to Thursday at 10.45 every week anyway) and it is the use of the first person singular — and everything that implies — in this regular programme which seems to me highly significant.

It means that the BBC's top reporters are at last being treated by BBC management as hough they and their organisation really were on a par with the news staff of (say) the FT or the Washington Post. That is a hig step towards growing up, and it is high time that broadcast journalism did a lot

of growing up.
In its opening dozen prorammes Newsnight, under the ditorship of news man George Carey and his deputy Ronald Neil from current affairs, has certainly seemed to be heading in the right direction. We have been receiving just the sort of reports on the background to news events which have been so noticeably missing from all our television channels for so ur television channels for so amouncement will start fast with "A certain restiveness to ductors and was regarded as Monteverdi's Vespers. using on the reactions to the Olympic day over the Government's plans row: John Bierman with an for" row: John Bierman with an excellently lucid report from slowing down) "trade/union/ the West Bank: David Lomax reform" with a little nod of the he West Bank; David Lomax talking to a white farmer who intends to stay in Rhodesia, and His intentions are doubtless the

merited a full half-hour current ing slow four-year-olds how to affairs programme, though most roll plasticene. Nor is it just the were too long for a normal news tone. He shares with his old were too long for a horman news
bulletin, but they were all ITN colleague Alastair Burnet a
highly informative and—hap-penchant for phraseology which
nily—free of the breathless is never used orally by real tone of urgency which is so people but appears only in the often used to give a spurious cheaper newspapers, as in: sense of topicality to news

There are numerous other points to the programme's credit programme's basic formula, for including effective ideas in example the habit of having the minor items. For instance the presenter follow the news bullemany record-breaking sporting gramme with the announcement occasions to show exactly what would be missing if America stories again" and then a list of withdrew from the Moscow what we have just watched. This and highly informative.

opening edition benefited from night. an investigation by Roger Cook who has acquired a deservedly high reputation on BBC Radio. One hopes he will contribute

whose occasional informality can be refreshing. "Well I'm sorry to drag you back to the state of the economy after that," he said endearingly when we had been watching a snatch of Hurricane Higgins' amazing snooker.. But the programme has very clear debits as well as credits - and I don't mean merely the niggling little irritations such as the habit of forecasting the

next day's temperatures on a scale which nobody I know understands, and the sloppy and repetitive use of "diss-pute" for dispute and "kill-om-eter" for kilometer.
Nor am I too anxious about

the tendency to play with new technology, so that little moving pictures of warships pop up in models of Afehanistan and dinky symbols of helicopters zip around, proving that Newsnigh has this super new inlay trick and a wizard new character

Kevin Ruane in Moscow with "A certain restiveness to-(leaning into camera and head on each emphasised word. very best, but his manner brings these reports to mind a patient adult teach-"Plasticene Play: We Ask-Is It Good For You?" Then there are oddities in the

tin in the middle of the pro-"And now Newsnight's top was neat, dynamic, could indicate either a belief in Churchill's maxim "Tell them Newsnight's staff, as those what you're going to say, say it. already mentioned clearly indi- then tell them what you've said," cate, include some of the BBC's or a desire to tantalise those best journalists: the admirable who have just drifted in from John Tusa is the fourth of the the pub at 11.20 and an attempt regular anchormen, and the to get them to stay in the next

> Either way it is reasonable to hope it will cease when the programme settles down. Every new current affairs and news programme feels a need to be

In Fran Morrison the pro- "different" at first, no matter day and the world today in all be; they do usually disappear

It is a pity that Newsnight which is of considerable import- did not choose to be different by forswearing the factitious glamour and the distractions of a busy-busy newsroom back-ground behind Fran Morrison, and by dropping the dreadful of sport, though this gets more news programme habit of in- and more like a branch of inflicting upon the viewer the dislines sounding as though they are shouting down long drain pipes. In 1980 this is the equiva-lent in newspaper terms of affecting a green celluloid eveshade simply to impress outsiders with a sense of gritty the BBC's news agenda excludes professionalism and importance. It is completely unnecessary, helps nobody, and growing up must involve the abandonment of such childish exhibitionism.

None of these points however is of any great significance com- there has not been a single pared to the main criticism event in the arts which its prowhich is that the programme has brought over from the BBC's news division that department's philistine outlook which Perhaps we should rename it virtually ensures that "news" instead of meaning the differ- up and starts covering good ence between the world yester- news too.

gramme has found a woman who how loopy the differences may areas of human endeavour means instead predominantly

Politics (i.e., rows), economics (i.e., inflation), international affairs (i.e., wars) and industrial relations (i.e., strikes) are all expounded exhaustively. dustrial relations. But for the torted sound of foreign corre- BBC's only serious daily news/ spondents on bad telephone current affairs programme, the world of books, theatres, painting, music, films, fashion, ballet, opera, sculpture, jazz, poetry simply does not exist. Though that is where so many of us find the main pleasures of the world.

> It is frequently claimed in the programme's billing that it "adalyses the significant events of the day." Apparently in all the time it has been on the air ducers consider "significant." Nothing as significant as a pipelaggers' strike, for instance, Bad News Night until it grows

#### London's new orchestra

that the old name restricted the rather pretentious by Hickox the orchestra's success in getting Baroque Ensemble if a sponsor sponsorship from City and financial companies: among the inancial companies: among the orchestra was founded by new projects planned are lunch- Richard Hickox numerous time concerts in City churches, sponsors have rallied round, and

it was identified originally with annual Spitalfields concerts will the Baroque-and it has com- be continued this year.

and a wizard new character generator.

Rather more worrying is changing its name to the City Nigel Osborne which will be Snow's habitual tone of voice of London Sinfonia. It was felt Square, on May 28. Other new himself. The new name reflects exchange with the Scottish

can be found.

In the nine years since the starting on April 25, with the link with the City snown the first two sponsored by the enable it to gain new supporters. It has already signed up to per-The Sinfonia will also be play-ing more contemporary music— Portsmouth Festivals. Also the

#### Pountney to direct ENO

over as the English National a new Ring Cycle. Opera's director of productions

The ENU also united three new productions at the will be responsible for a new the world premiere of lan production of The Valkyrie in Hamilton's Anna Karenma.

David Pountney will take the 1982-83 season, the start of

London Coliseum for the 1980announced yesterday. With 81 season: Boris Godunov. music director Mark Elder he Gounod's Romeo and Juliet and

#### Alice Hunt Bartlett poetry award

Bartlett Award for a collection of poetry published during 1978 to John Montague for his book Award is administered by The The Great Cloak published by The Dolmen Press. by the two judges published in English.

The Poetry Society has appointed by The Poetry awarded the £200 Alice Hunt Society, poets Kit Wright (the Bartlett Award for a collection previous year's winner) and Leslie Norris.

The Alice Hunt Bartlett Society and is awarded annually for a collection of poetry of not The winning collection was less than 20 poems or 400 lines

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Wednesday February 20 1980

# The law is not enough

THE GOVERNMENT yesterday any mood to distinguish beacted on two fronts in an tween Mr. Prior the dove, and attempt to prevent an industrial some of his more hawkish Cabidispute spreading to an unwilling third party, as has happened in the current steel strike, and to that of peaceful persuasion. In the first place Mr. James Prior, the Employment Secretary, issued a consultative document which will form the basis of amendments to the Employment Bill and which will introduce a new concept of "remoteness" to the law affecting trade disputes. In the second place Sir Michael Havers, the Attorney General, made it clear that a great many of the incisurrounding the steel strike are illegal under existing law: for example, the picketing the private steel firm Hadfields last week which turned into a major demonstration.

#### Modest

It would be a mistake to see Mr. Prior's document as primarily a response to events in the steel industry, though these have undoubtedly increased the pressures on him to act now. Mr. Prior admitted last December that the Employment Bill might have to be changed in the light of the law lords ruling in the case of Express Newspapers v. MacShane. The Appeal Court The Appeal Court had ruled that secondary action in that action was too remote from the original dispute to be legal only to find its judgement overturned by the lords.

It is the same concept of remoteness which the Government is now trying to introduce into the law. The new legislation wili emphatically not take away the right to primary or secondary industrial action. Instead it will limit secondary action to interference with employers who are either first suppliers or customers of the original employer in the dispute. If the new law had been in force in the last few weeks, it would not have entirely prevented the steel strike being extended to the private sector. Hadfields, for instance, would almost certainly be considered name. The best way to overa first customer of the British come them is for the unions to Steel Corporation, but Sheer- take their own disciplinary ness Steel would not.

posals are relatively modest, ineffective and dispensable. Is though it is doubtful if the that what the union leaders trade unions at present are in want?

net colleagues. The Employment Secretary has probably done the minimum necessary to to limit the practice of picketing maintain support in the Conservative Party, but nothing to win over the unions. The legislation will require the most careful drafting, especially when it comes to defining "first customers and suppliers," and is likely to mean a greater use of the courts. It is welcome in that it may reduce the tendency of industrial disputes to escalate, but in the end employers and unions may still be wiser to seek their own agreements without recourse to the judges. The Attorney General's state-

ment, by contrast, makes plain how much can be done to restrain picketing under the existing law, and how little that law has been enforced. Picketing is permitted solely for the purpose of peacefully obtaining or communicating information or of peacefully persuading another person to work or not to work. There is no right to stop vehicles or to prevent people going about their lawful business. That description, however, bears no relation to what has been seen nightly on the television screens during the steel strike, not to speak of events last winter.

Enforcement is a matter for the police and the courts. Yet it is going to be hard to persuade chief constables suddenly to take full use of their powers when pickets can now turn out in hundreds if not thousands. What is needed is consultation with the unions and strike organisers over the rules of the game. A code of conduct on picketing is more than ever

In the last resort, strike action which gets out of hand is as much a matter of concern to the unions as to anyone else. It is the antics of Mr. Arthur Scargill and the militant pickets which are doing more than anything to give the unions a bad ess Steel would not. action. A leader who cannot In that sense the new procontrol his members becomes

### The challenge for Mr. Trudeau

TWO ISSUES pervade Canadian immediate issues which has to politics, the problem of national be faced is adopting a more identity and the related realistic pricing policy for oil; question of how to hold together petrol for instance is well under the world's second largest country. On both counts Mr. In the economic field there Pierre Trudeau's victory is have long been complaints at flawed by the large vote for him in the east of Canada and against him in the west.

bringing some order to Canada's finances. Mr. Trudeau has the Parliamentary majority and the of its trade. Here Mr. Trudeau time—potentially five years— promises that the role of the time-potentially five years-which he needs. What is unclear is whether he still has the verve years as Prime Minister.

#### Lacklustre

The campaign was relatively investment is relatively more im-lacklustre. The vote itself was as portant than in any inhad never established a strong and the small size of the domes-reputation. Memories of Mr. tic market provided by Canada's Clark's aborted attempts to 22m people are measures of the move the Canadian Embassy in Interpretation and the control of the problems Mr. Trudeau will have Israel from Tel Aviv to in keeping this promise. Jerusalem were not completely dispelled by the role that Canada played in helping six Americans escape from Tehran.

More important, at home Mr. Clark never established his claims that he could solve the problems he inherited—GNP growth falling to a forecast 1 per cent for 1980, unemployment around 8 per cent, inflation reaching double figures and a mounting current account

It was easy for Mr. Trudeau to capitalise on these problems and to exploit the fears of the provinces which account for nearly threequarters of the parliamentary seats. The East depends on petrol from provinces such as Alberta. Mr. Trudeau attacked the plan to increase petrol prices by one-quarter which had originally led to December's vote of no confidence in Mr. Clark. But he kept his own

difference deceptive. One of the NATO than for detente.

one-half the price in Britain.

Canada's comparative failure to process the minerals and raw gainst him in the west. materials which it produces.

Coming to grips with these One-half of its exports to the issues will be as important as United States consist of unprocessed materials, and exports to the U.S. account for two-thirds multinationals will be reviewed. with the federal government becoming an active player rather than just a passive referee. It is a promise which goes down well in a country where foreign much a vote against Mr. Joe dustrialised country. Two-thirds Clark, the Progressive Con- of industry is in foreign—mainly servative Prime Minister during American—hands as is three of industry is in foreign-mainly the past nine months, as one for quarters of oil production. But Mr. Trudeau. Abroad Mr. Clark the very size of this investment tic market provided by Canada's to in keeping this promise.

Equally difficult to handle is the question of Quebec. The scale of Mr. Trudeau's victory in the federal elections is no indication of what could happen in the provincial elections expected by the end of 1981. Mr. Rene Levesque, the Prime Minister of Quebec, is planning a referendum in April or May to ask for a mandate to negotiate sovereignty in economic affairs and association in poli-tical matters with Ottawa It is by no means certain that he will win. On the contrary, there seems a parallel with the rise and, for the moment, decline of the Scottish Nation-

But even Mr. Claude Ryan, the leader of the Quebec Liberals, proposes a generally increased level of devolution. At some time, Mr. Trudeau will have to grasp this nettle. It is not an easy time to run More immediate, however, will Canada. Retrenchment will be be the changes he might intronecessary to deal with the duce to Canada's foreign policy. budget deficit which has grown Mr. Clark responded as steadily. Many of those who vigorously as Mrs. Margaret preferred Mr. Trudeau's easy-Thatcher, the British Prime going approach to the sterner Minister, to the Afghan crisis. talk of Mr. Clark may find the Mr. Trudeau has less love for

# A guide to what the union curbs would mean

BY CHRISTIAN TYLER, LABOUR EDITOR

to understand—among the damages from them. welter of complaints about trade unions' behaviour in disputes-what it is the Government is proposing to do.

is between the criminal prosecutions and the civil actions to gate.) which trade unions are subject. The second is the ad hoc distinction between picketing and sympathetic industrial action. (Below we discuss how the criminal law can be enforced

against pickets.) Picketing is when people stand outside factory gates in order to stop other people working or moving goods in and Sympathetic action includes blacking of goods or the withdrawal of labour—either partly or completely — by workers trying to help someone else's industrial action become more effective.

Yesterday's statement by the

Government explained how the act of picketing, under present legislation, can become a missal, criminal offence. As for the nation. civil limitations on picketing. these are already set out in the

TWO SHARP distinctions infunctions to stop them doing vulnerable to civil prosecution have to be drawn in order it, or going further and seeking and damages.

(Applications for injunctions are becoming much more common, but suits for damages are still relatively rare, because The first distinction to make the employer's main concern is to get the men off his factory

> The present civil law has little to say about picketing. main points are that it should consist of peaceful persuasion and should not be done at or near someone's

> The Employment Bill goes much further. It proposes that lawful picketing should be confined to: first, people picketing their own place of work; second, trade union officials accompanying members of their union who are picketing their own workplace (even though the official is not himself party to the dispute); third, unemployed people picketing their former workplace when the dispute is about their dismissal, redundancy or resig-

Finally, people who do not have a fixed place of work, like Government's Employment Bill. lorry drivers, would be allowed of the present law made recently Broadly, the Bill seeks to cur- to picket the place "from by Lord Denning in the Appeal tail the activities of pickets by which" they work or from Court and subsequently over-

This new law, just like the criminal code, might however

prove to be unenforceable.

The plans unveiled yesterday are nothing to do with picketing, but are an attempt to curtail "secondary industrial action." Not only are they much more complicated, they are also much more controversial in that they delve much deeper into the area of trade union immunities.

Under the present law, Labour's Trade Union and Relations Act as amended by the same Governtheir action near enough to the ment in 1976, trade unions can main dispute. [Test (c) is a not be sued for damages if they are taking action "in contem-plation or furtherance of a trade dispute" which causes breaches of contract (whether of contracts of employment or commercial contracts).

Until fairly recently, this socalled "golden formula" was virtually taken as read. Employers rarely took unions to court to test how widely drawn it was.

This Government has now decided to write limitations into the statute book — in effect to enact those interpretations Court and subsequently over-turned by the House of Lords.

Pickets talk to a lorry driver (with police in close attendance) at Sheerness Steels were their motives proper, and "extraneous" and (c) was

Unless the union passed the first two tests, its officials (or members) would be vulnerable to a civil action for breach not only of employment contract, but commercial contract as well. If it failed the third test only, it would be liable to prosecution for inducing breach of commercial contract alone.

Assume that these measures were already in force and take the steel pay strike as an example. The main dispute is between the British Steel Corporation and its unions. But the chief union has called out

their employers about pay. Broadly speaking, the position would be as follows. BSC could not sue the unions (the primary main dispute. [Test (c) is a more specific limitation to bolster (a) and (b).] "right to strike" is not affected). Private steel companies whose business depends substantially on supplies of steel from the BSC could not sue either. They

would, in the words of the consultative paper, be "first custo-mers," that is, close to the main dispute in terms of their trading relationship. But private steel companies which do not depend substantially on BSC could sue their unions — and perhaps even their own employees - for breach of com-

mercial contract. This last group, on the other hand, could not sue for breaches of employment contract. That is to say, secondary action by their workers would

action (a) objectively capable they are not in dispute with not force their workers to work, but could get money injunction—if they could prove that economic damage was being done to them.

There are few cases where industrial action does not in fact inflict damage—the whole point of it is to bring economic pressure to bear. Mr. James Prior, Employment Secretary, gave a contrary example yesterdo overtime, yet their company might be able to get round the production difficulties that

The core of yesterday's proposed amendment is that it would be for judges, not unions, to assess whether a sympathetic actually putting pressure on the employer in dispute, (b) was part of a genuine desire to put pressure on (and not, for example "political") and (c) was close enough to the main

caused.



past decade. Each statementof last year, and yesterday— was made at a time of industrial unrest, and in each case the same root point was made.
That point is: that the law on

picketing, now largely en-shrined in the 1974 Trade Union and Labour Relations Act, and the immunities granted under it is quite a different matter to it, does not, as yesterday's prevent it, or to arrest the statement puts it, "diminish the person believed to have comrules which govern public mitted it, in the circumstances order.

The law protects the right of

going to work by sheer numbers, the pickets are no longer industrial picketing were made immune since they are then under the umbrella of an arguobstructing, rather than perment for tougher measures to

clarification on the application continuity with previous proof the criminal law to picketing nouncements, including one is the third of its kind in the made by Labour's last Attorney-General, Mr. Sam Silkin, is ungiven by the Attorney General likely wholly to satisfy the of the day in 1972, in January anxieties of the country's police forces, which are now in discussions with the Home Office about its current review of the subject to the s Public Order Act. Their he recommends. response to a restatement of the present position tends to be that while it may be clear enough what constitutes a criminal act, should be controlled in the

A full statement of the police The law protects the right of A full statement of the poince. The reforms ne urges to the citizens to come and go as they view on picketing and the 1936 Act, and those which Where they are pre- criminal law will come today vented from doing so, by from Mr. Alan Goodson, chief violence, intimidation or constable of Leicester and chairobstruction, a breach of the law man of the Association of Chief Police Officers. But the broad The Attorney General, Sir outlines of their collective Michael Havers, stressed the same point underscored by his predecessor last January: "The freedom to picket does not general to the Commons." confer or imply any right to submission to the Commons stop vehicles." Further, he said Select Committee on Home that if people are stopped from Affairs on Monday.

of mass picketing.

control assemblies and demon- The Police Federation, repre- Sir David's evidence to the loosely structured and unpre-The low-key nature of the strations than are provided for senting police constables and Select Committee underscores dictable.

ATTORNEY General's statement, and its deliberate under the Public Order Act junior officers, also gave strong this point. He writes: "The cation on the application continuity with previous pro- 1936. Sir David sees industrial support yesterday to Sir David's psychological interaction between people in crowds criminal law to picketing nouncements, including one picketing, which is not sanction measures.

The main reforms the Federacauses the individuals compris-Employment Bill, now being considered by the House of Commons as falling—if the Bill is made law—into the same area as other assemblies, and thus subject to the stricter penalties

> He argues: "Logically, any form of assembly not protected by the trade dispute immunity same way as other similar forms of demonstration, and it would give police far greater powers in dealing with massed 'picket-

ing' such as Grunwicks."

The reforms he urges to the would apply to "unprotected" industrial picketing, include the imposition of a legal obliga on organisers to notify the police of the event, the numbers expected and its purpose; the right of the Commissioner to ban the event; the right of the police to "remove articles from demonstrators which are likely to cause a breach of the peace": the provision of a specific offence of throwing missiles at public gatherings and of raising current penalties for public order offences.

tion wants are: a reasonable limitation on

the numbers of pickets; pickets limited to employees of the company with which the workers are in dispute;

those with no direct connec-

tion to be excluded; clear indentification pickets by means of, for

example, armbands; closer liaison between the organisers of pickets and the police.

The first of these is, in the Federation's view, the most important. It sees its members being frequently in danger of being overwhelmed by where in his evidence, there is sheer numbers during a large a dilemma built into the fabric to control their actions, or to one between individual's rights make arrests when pickets are and public order. Clearly, he believed to be in breach of the criminal law. Limitation of the police interest, are concerned members of a picket to, for with the public order side of example, 20 would allow the police on the spot to set the as undermining the interest of conditions for a peaceful the trade unious first in picket, rather than be com-reducing the potential effective-

ing them to behave with much less self restraint than when they are on their own. It is also extremely difficult—and often impossible — to communicate with individuals when gathered in large numbers; and thus the human contact between police and citizen, which is so essen-tial for public co-operation, easily becomes diluted. Furthermore, it is self evident that people acting in concert can physically achieve far more than they can while acting as

individuals. These inherent obstacles to crowd control play right into the hands of unscrupulous activists . . . As Sir David recognises elsewhere in his evidence, there is picket, and thus unable either of such proposals—the familiar

pelled to watch helplessly while it built to a potentially violent size

ness of a picket, and second in seeking to define too closely action which is by its nature

SIR MICHAEL HAVERS Attorney-General

> SIR DAVID MeNEE Metropolitan Police

### MEN AND MATTERS

#### Easy way in |for Lalvani

If his attempt to buy Decca's television factory at Bridgnorth comes to naught, Binatone chairman, Gulu Laivani, tells me the contract to produce the British-invented Sinclair Microvision will probably go to one or other of his anonymous backers in South Korea or Japan. He is certainly not interested in any other British television manufacturing factories, he says.

Lalvani seems not at all put out that his three-month campaign to buy the Decca plant has been stalled, ostensibly while new owner Racal assesses its assets and opens negotiations with another unnamed television maker in Japan. But he still jibs at the £2m asking price—the book value of Bridgnorth -and there can be little doubt that he is not over-keen on paying £20m for stocks piled up at the works. His first backer, a Taiwanese company, pulled out of the bid because it shared Lalvani's view that the Decca

price was too high.

Naturally enough, he is not going to talk about his negotiat- In business on a more modest ing tactics, but I have the feeling the 40-year-old entrepreneur may be prepared if pushed to raise his bid. The Decca plant as he admits, would offer him an easy way " into high-quality manufacturing, giving access to high-technology plant and skills. And I suspect the prestige value of a famous-name acquisition would add considerable sheen to his business which has been built largely on "budget" priced consumer elec-tronics, following his almost accidental entry into the busi-

ness 20 years ago. Studying in London in the late 1950s, he and his brother business. He is already expand-Pardap found themselves stuck ing, and is preparing to open for funds, tentatively started the provisionally-titled Firkin selling cheap pocket radios, and found themselves on a spiral staircase which has led them to his pubs are leased, and he now the top of the heap (£28m turn- seeks to open up in freehold Bradshaw's attorney - general



"...au dit cries like a Dunbee-Combex-Marx shareholder"

over forecast for this year) at the private end of the consumer electronics business.

#### Expansion brewing

scale, and with nine years to reach his target of £1m in the bank by the age of 40, David Bruce, managing director of Wetherland, is fishing tenta- Britain sent a force of tropicaltively in the venture capital kit bobbies to Anguilla. It was market for a banker or individual ready to inject up to 5300,000 into his scheme to souls decided to opt out of the open a string of pubs with preweries in the cellar.

that rebellious isle of 6,500 souls decided to opt out of the unitary state of St. Kitts-Nevis-Anguilla because it had had

Bruce, who is currently turning over £250,000 a year (net profit £25,000) in his first homebrew house, the Goose and Firkin in Southwark, tells me he wants the funds to introduce some asset value into his and Ferret in Lewisham in May. The trouble is, he tells me, both

properties. With a starting price of £85,000 in London and £50,000 such pubs lie at present beyond his personal spending limits. He has already mortgaged his Clapham house to underpin his enterprises.

Adamant that potential partners have to come in on his own strict terms, Bruce insists: I do not want to be sucked into a big company, and anyone backing me must be prepared to do so without demanding a controlling share of the opera-tion." Only 25 per cent of the equity will be available to supporters.
He clearly enjoys thumbing

his nose at the City financial brains who gave him no chance of success with his jokily-named pub and his theory that a business could thrive selling mainly draught beer. In most conventional houses 55 per cent of turnover comes from the beer engines, while Bruce claims to take 80 per cent through his sales of Borough Bitter and Bruce's Earth Stopper (£1 a pint).

#### Met for Nevis? Hello, hello, hello. Do I detect

another golden opportunity looming for the officers of the Metropolitan Police? Readers will doubtless remember that idyllic mission in 1969 when there to maintain calm because enough of the colourful tactics of Premier Robert Bradshaw. It could be the turn of Nevis to go the same way and quit the Caribbean mini-state now that the results of its Monday election are in.

But the sunshine dreams of our policemen pounding the bleak pavements of Brixton are a nightmare for Bradshaw's Palace of Westminster. successor, Lee Moore. This 41-year-old lawyer who was

during the Anguilla debacle was known as a tough and tricky negotiator and was regarded by the Anguillians in the same light as Mephistopheles.

But his St. Kitts Labour Party has been defeated at the hands of the People's Action Movement and the independence minded Nevis Reformation Party which together have five of the country's nine seats to Labour's four. My experts on the area suggests that one of the first manifestations of this new order's power may be a move to pull out and leave St. Kitts and Moore to their own

#### Keep it quiet

The Finns, specialists in humour with a distinctly paranoid slant, are currently grimly amused by the events following Afghanistan's call for "asssistance." Doing the rounds in Helsinki at the moment is a joke (I think) which says the Government has banned all forestry operations within 5 kilometres of the Russian border. The reason, I hear is that should a forester be injured in tree felling and call for help, he is likely to find three Soviet armoured divisions racing to his aid.

#### Misguided

How thoughtful, I thought, of the Rank Organisation to send shareholders a map of central London to help visitors find the venue of its annual meeting on March 12. But I fear visitors unfamiliar with the capital may find themselves confused should they arrive at Victoria Station. According to Rank's cartographers, this noisome edifice has been moved, and, the plan shows, is now sitting smack on the Embankment on precisely the spot where I last saw the

Observer

#### Q.Where is the nearest **Assisted Area to London** and the South East?

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If your company is considering relocating or developing in the south of Britain, you must consider CORBY which can now offer a packet equal to anywhere else in the country.

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Write to or ring
K.R. C. Jenkin, B.A., F.R.I.C.S.

Corby Development Corporation
Chisholm House, 9 Queen's Square, Corby, Northants, NN171PA

# Little manoeuvring room for Sir Wichael FOR THE 18,000 Longbridge sequences for the company if more immediate problem for strong case for advancing the ground of retranchment and tough line he has taken over

workers who will gather this the offer were rejected.

BL than any strike at congmorning at Cofton Park in the

The outcome of that ballot bridge or the reform of indusshadow of BL Cars' biggest has undermined the authority trial relations. It has been plant, there is more at stake which Sir Michael Edwardes, argued for several years that than whether to strike in sup- the BL chairman, gained from the dealer network—the real port of Mr. Derek Robinson, the dismissed convenor.

Any walk-out could mark the Any walk-out could mark the tion plans involving plant first encounter in the battle to closures and the loss of more establish new working practices than 25,000 jobs. at the factory which must reach productivity levels comparable his credibility among the workwith the best in Europe. More force was than £300m has been committed to the Mini Metro, BL's new small car to be launched in laid off and production halted October and upon which rests at a number of plants because the survival chances of State-owned concern. Flexibility in working methods and between skills is essential for the highly automated producline to be operated profitably.

#### Principle

through a series of disputes coming from outside the com-including the two-day strikes by pany rather than from within. the Amalgamated Union of The record low UK market Engineering Workers and the share of 15 per cent in January ber. Union leaders acknowledge ing director, declared as that it is always difficult to "moderately promising" sales mount action on an issue of in the first few days of this principle; an inquiry by the month when the company AUEW found that Mr. Robinson achieved a 21 per cent share. was unfairly dismissed and is But the position has since 725,000 demanding his re-instatement. deteriorated with BL taking numbers demanding his re-instatement. deteriorated with BL taking But overhanging today's only 18.8 per cent in the first 10

meeting will also be the frustra- days of February—traditionally difficulties created in export tion among workers over the its best selling period. Such markets by the strength of company's outright refusal to a performance would be disserting, the current level of improve its pay offer of 5 per appointing in normal times, but cent for most employees and 10 BL is mounting an expensive sales, the pressure must per cent for craftsmen. "Buy British" sales campaign for a cut in the payroll. per cent for craftsmen.

Such feelings are thought to and offering substantial induce-have caused manual employees ments to its dealers. to reject the company's pay package by a three to two work is giving total public majority in the recent secret support to BL, but in private is ballot. The result came as a lobbying for help to finance early next. Given the physical surprise even to union leaders stocks thought to be worth who had fought a low-key cam- around £240m. The position of paign through fear of the con- the distributors presents a plant to another, there is a

his 7-1 majority in a ballot last strength of BL and the bait that

Potentially more serious for the surprise announcement last week that thousands of workers would be the of poor sales performance.

Mr. Bill Jordan. Midlands organiser of the AUEW, and the official guiding the Robinson affair, says: "Sir Michael, the super salesman, who said the problems were caused by the workers' failure to produce, has been exposed.

Indeed, the seemingly con-There is little enthusiasm for tinuous crisis within the car another strike by workers who division has been given a new have lost enough time already twist with the pressure now The record low UK market walk-out at the time of Mr. set the clarm bells ringing, Mr. Robinson's sacking last Novem- Ray Horrocks, BL Cars' manag-

The 1.900-strong dealer net-

October in favour of rationalisa- might attract foreign suitors-

20 per cent. In the short term, the situaextent that most of the profitable franchises are spoken for and there is nowhere else for BL dealers to turn. However, unless the company approaches its target 25 per cent share of the UK market in March, the through-put of models could put a strain on the net-

work that could pose the risk

of closure of some outlets. Even with a dramatic sales recovery, output for the current year is likely to be significantly down on 1979 when little more than 503,000 cars were pro-duced. That compares with the boom of the 1960s when Austin-Morris alone, before the addition of Jaguar, Rover, and Triumph, was turning out 1m vehicles a year.

#### Payroll

In 1979 BL Cars, with a labour force of around 120,000 was manned to produce about cars. Employment numbers have dropped only slightly to 117,000 and with the stocks, and the decline of home sales, the pressure must be on

The main impact of Sir Michael's programme to cut capacity to the reduced sales expectations is not due to take effect until later this year or constraints imposed by the transfer of production from one

Shedding labour quickly, visions, would involve a high outlay in redundancy payments. would be threatened with defections if market share fell below provision in his budget for this unwanted cars going into stock The log-jam of certain models, more jobs. tion can be contained to the from which the company is now suffering, did not happen overnight and must have been a consideration when the 1980 corporate plan was drawn up.

Halting production of cars such as the Rover, Princess, and Marina, will not Maxi ease pressure on the omy dealer network but begin to release cash tied up in component stocks and part-finished models. The full impact of the latest problems is difficult to assess but the prospect must be somewhat remote of generating the finance necessary to fund the LC-10, the middle-range car, scheduled for launch in October 1982.

Given the weakness of BL in the fleet car market highlighted hy the latest sales figures, a quick way of plugging the gap would be to enter another cooperative venture with Honda of Jupan. Compared with the have hoped that the Longbridge cost of the LC-10-variously changes could be swept in on estimated at between £300m and the back of the national ballot. £500m according to the plant the result has clearly left the improvements and range of models—an investment of perThe dismissal of Mr. Robinson,
haps £250m could see the introwhatever his faults highlighted duction of a new Japanese car. Such a deal would offer the important advantage of speed but would still be a high-cost route and would involve the

import of foreign components. between £100m and £150m, and currently being convassed at that, though the bilini and middle management level, is for BL to use tried components from the Allegro, Princess and Maxi to launch a new model.

probably rise. World recessions

do not mean a cessation of

demand-at worst they mean a

small decline in total demand.

And if that means my oil well/

copper mine/bauxite deposit

will last a couple of years

cut their profits/costs in order

to remain competitive on world

markets, I am not sure I would

complain-even if this means

substituting increased efficiency

and/or capital for labour. Longer queues of unemployed

in overseas countries would be

as demand for my oil/copper/

bauxite remained high enough

to maintain production at a

in my pricing policy would rest on the knowledge that my customers have no alternative

but to pay my price or go out of business—for what industrial

ised economy can currently operate without oil/copper/

And that, I would conclude, is the root of inflation. In a world

of diminishing—and exhaustible
—necessities, "money prices"
will only rise as resources
deplete. After all—what can I

do with paper money when my (and everyone else's) oil well/ copper mine/bauxite deposit

Or have I entirely missed the

point in not putting "money

A Loi Monory

Winston A. Cooper.
"Ranmore," Ralcigh Drive,
Claygate. Esher, Surrey.

From the Economic Adviser,

Sir,-Samuel Brittan (Lombard, February 11) argues the

case very logically against intro-

ducing yet a further distortion into the tax system by giving

allowances to individuals who

invest directly in shares along the lines of the "Loi Monory"

He argues the case that there

is not the same pressing need here for a "Loi Monory" type scheme because British in-

dustry is not generally under-capitalised as was its French counterpart. The case for similar tax concessions in the

UK is based on the domination

of the securities market by the

Samuel Brittan says, their dominant position has

brought about, in part, by fiscal

privileges which themselves have led to distortions in the

pattern of investing, encourage

ing the direct investor to switch

into indirect forms of investing

because it is more tax efficient

In principle, one must logic-

ally agree that it is better to

remove existing distortions rather than introduce new ones

on the basis that two wrongs

don't make a right, but there would clearly be enormous difficulties in reducing the tax

benefits of contractual pension

and insurance schemes, even if

In this less-than-ideal situation, is there not still a case for

reducing the massive disincen-

tive to invest directly in

equities, a disincentive which

will cause increasing difficulties

for the efficient working of the

The Stock Exchange, EC2.

the political will existed.

securities market?

Stuart Valentine.

investing institutions.

in Britain

The Stock Exchange

in France.

to do so.

aluminium?

are exhausted?

Me An

Equally, if my buyers have to

longer. I would be happier.

the battle for market share, it the dismissal of Mr. Robinson, must be questionable whether although it eases heavy costs the company's emphasis upon hing the Longbridge problem posed by expensive lay-off pro- a fundamental reform of would have been to have comworking practices

#### 'A ragbag'

Such a view, however, overlooks the need for a new style of working on the Metro at Longbridge, BL management, perrups in the flush of confidence from the 7-1 ballot victory last October, iramed a 92-page document setting out the fundamental changes in working methods it would require across the company. In the words of Mr. Greaville Hawley, the moderate national automotive secretary of the Transport and General Transport and General Workers Union: "It was a rugbag of everything the unions had negotiated and rejected over the previous ten

years. The company wanted to wipe the slate clean." While the management might company without a mandate. whatever his faults highlighted by the union inquiry, might have been seen as one way of weakening shop steward opposition to the changes. Indeed, a strike today over the issue could pre-empt any suture A low-cost option, put at industrial action over the work practices. Many dealers report Allegro produced at Longbridge

immediately relevant. Higher sum poyments to works in seems likely, however, that productivity would only lead, return for requeing manning. Michael would have made in many cases, to more levels and ollowing flexibility.

buy out parity

ment deciries to resolve the question of productivity at Longbridge, the national pay package remains in limbo. After nearly four months' negotiation -2nd Mr. Geoff Armstrong, the employee relations director opened his presentation with a warning that the company could not "afford the time for protracted discussion or inconclusive debate "—the two sides are

the changed working practices. BL might hope that pressure will hold up on the union necotiator, from members who stand to draw perhaps \$200 back pay on a deal that should have been implemented last Novem-Even assuming union apposition crumble. fashion, the company still faces the difficult task of pushing through its reforms.

The proposed self financing incentive scheme, which could yield up to £15 a week for a 20 are in demand, they could withstand a stoppage of perhaps four weeks. Sir Michael appears Against the current back- to have time on his side in the rejected in ballots of the work- can be expected to stage their plan.

An alternative way of hand-1000 Thousand fundamental reform of would have been to have conis ceded union demands for lumpin the use of labour. For the year for such a contingency, or the shedding of thousands Longbridge stewards such a would ensure

800

600

400

20Cr

THOUSAND

Colored Carlotter (1995)

1972 1973 1974 1975 1976 1977 1978 1979 1980

worker co-operation without disrupting company plans for of earnings between plants. In whatever way the manage-

deadlocked.

The unions, which realise the weakness of their position with extensive lay-03's and a divided workforce, have given the company two weeks to reconsider its offer But management appears determined not to pay a peany more and to insist on

#### Disruption

per cent improvement in productivity, has now twice been force. The new five-grade pay own protests once they are structure, under discussion in personally affected. many plants for several months.

Sir Michael might be trying threatens disruption. Warnings to telescope into 12 months the have been issued from Copley. Oxford, of likely industrial should have taken place over a action once workers have longer period. He now faces not exhausted the appeals proonly problems with his products vedure. There is a similar level in the market place, but has of unrest at Longbridge, and also left himself with little some 400 employees at Jacuar, room for manocurre.

Covenity, only resumed work his week after straing a series In his letter to the Government, seeking funds for the 1980 corporate plan, he declared: "Considerable Another issue which could be provoke an outbrock of unrest hazards face us from within on the shop floor is the question and without. The board will of "mutuality"—the power of monitor process very closely. shop stewards to control man- and if shortfalls in performance ming levels and the pace of the place the achievement of the job. Even in the unlikely event plan in jeopardy, then the of national officials agreeing to board consider that it will have concede such powers, workers no option but to abandon the

#### Letters to the Editor

#### Exchange rates and industry

From Mr. S. Stewart

about steel which you do not mention in your leader of February 11 is that the bankruptcy of the industry is almost entirely due to Government policy and has little if anything to do with those who work in it.

The international division of labour is decided by comparative costs and not by output per head as every manager knows. Sir Keith Joseph says he does not know how our unit labour costs compare with other countries, incredible if true. The inference from published figures is that our labour costs

are not uncompetitive. Steel is a classic case of an other. economies of scale and to a despite a reduction of 19 per price sensitive market. Cars are cent in real wages between 1958 another. The problem of these and many other British industries is the 30 per cent rise in the real exchange rate since the fourth quarter of 1976. Wages, salaries and other employment costs only account for 29 per

cent of the cost of steel.

Mr. Healey gave an undertaking to the International Monetary Fund in December 1976 that the exchange rate would be managed so as to maintain the competitiveness of our goods at home and abroad. He reneged on this and the consequences have been disastrous. Our wholesale prices have risen by over 50 per cent, but imports of finished manufactures by only 19 per cent and machinery by 9 per cent. Export prices have risen 30 per cent more than those of our competitors.

### Lead from

Sir,-Sir Keith Joseph has of course been quite right not to intervene in the steel strike; the taxpayer is sick and tired of subsidising British Steel and other loss-making nationalised

means business in its fight stand that material reward is against inflation, there is another step—beyond another step—beyond non-intervention in industrial disputes-which could be taken.

The basic requirement is to bring about a change in people's attitudes towards work; and the key to that is the old adage that a job worth doing at all is worth doing well. We have been mesmerised for far too long by money, so that the creation of real wealth is no longer understood by the majority of the population; this obsession with something for nothing is just

not good enough. Complacency, loss of self-discipline and "comparability." separately or collectively, conwork to take prior place to the amount of money demanded for it? Much time has been devoted associated with inflation. Should without an export market in the

not more time be given to the psychology of inflation?

Sir,—The important fact yet to be felt.

It suits the politicians at Westminster and in Tothill Street to blame the workers, but a rising exchange rate can only mean that money is too tight or

wages too low or both. The CBI must learn that the firms which will suffer most are the most efficient. These are the firms that had reduced their labour costs to a minimum before the exchange rate rose and which cannot compete without

massive investment. The TUC must learn that the total of unemployment cannot be reduced by accepting a cut in real wages. Jobs saved in one sector will be lost in an-

The car industry has declined and 1978 relative to average earnings. The further massive reduction demanded by BL will not save the firm. Its closure in whole or in part has in effect been ordained by the Bank of England whose lifeboats are

reserved for the City. Unless the unions stick together to protect their members they will be picked off indivi-We are propably doomed to two years of economic destruction before common sense prevails over monetarist theory but if management and unions can force the pace so much the better for the rest of

Shaun Stewart The Old House, Willards Hill, Etchingham, East Susser.

#### A 10 or, preferably, a 20 per cent cut in salaries by Ministers, by senior civil servants and by heads of nationalised (and private) industries would be an the front From Mr. E. Grattan earnest of the Government's and the nation's intent to give better

value for money. Leadership in this country is, by tradition, from the front. While there must be no abdication of responsibility, it is im-

Without such an understanding, on a widespread scale, how can this country hope to survive in a competitive world?

E. Grattan. Rooks Orchard, Little Wittenham, Abingdon, Oxon.

#### Back the winners

From Mr. A. Grima

Sir,-The irresponsible action of those in the steel industry and British Leyland surely time to undermine creative leaves the Government with purpose. How then is pride in little choice if the profitable businesses which provide the money to bail out these two lame ducks are not to go under to the economic theories as well and leave this country

world. Inflation, expensive money, if the ingrained habit-of high taxation and ever increaswages and salaries automatically ing overheads are slowly following prices upwards—is to throttling otherwise successful be broken, the threat of unemployment may be expected to tunity of competing abroad on have some effect. But might equal terms and without the not the pressure exerted by per- expense of supporting industries sonal example have a substant that are continually involved in tial, if not a greater, part to industrial strife we could afford matter to me whether "econo-

a cue from the electorate and effective demand exceeded my back winners, not losers. Andrew Grima.

From Professor S. Eilon. Sir. — If the Government

Imperial College of Science and of little concern to me as long Technology. Department of Management

### the truth

nist John Elliott (February 15) calls attention to "suspicions that the CBI's role as an objective and accurate reporter of what is going on in industry is being distorted by its political sympathies. . . ." I am deeply shocked that anyone could possibly entertain such suspicions. After all, who can fail to re-member how truly objective the

a simple loyalty to the truth. That may well be a serious

R. G. Opie. New College, Oxford.

#### The root of inflation

From Mr. W. Cooper
Sir, — Your editorial
(February 12) concerning inflation is symptomatic of all
current economic thinking in
that it implicitly assumes that
there must be a cure for inflation, and that a "perfect"
economic situation would be one
of stable orices.

of stable prices.

If only economists—and economics journalists—could see our world as it really is then we might stand a chance of reorganising and controlling our offairs with some hope of success. Can anyone explain to me why prices should be stable in the real world, or why controi of the money supply should effect such an end?

My views are extremely unfashionable, but if I owned an oil well / coppermine / bauxite deposit etc in a world of rising demand and diminishing (and exhaustible) supply, then, as my customers printed more of their money for my commodities, so I would be tempted to charge even higher prices for supplies. Even if their money supply remained constant, as well/copper mine/ my oil bauxite deposit exhaustion so my price would rise in order to " make the most of a good thing." It would not mists" described general trading conditions as a "recession

Longbridge workers to decide on strike action in support of Mr. Derek Robinson. Welsh miners coalfield con-

ference in Porthcawl, attended by steel workers from Llanwern. National Union of Public Employee water workers strike ballot result.

UK: Mass meeting of BL

give views on industrial action. Dyers' Hall. conference "UK Farming in Europe—now efficient are we?" at Kenilworth

bourne (until February 22).

design. Institution of Mechanical

Capital

Grant (Variation) Schemes Order. Rouse of Lords: Debate on the tion orders for December from

the social and economic problems of Wales.

Heavy picketing at Sheerness mentary delegation from Land Livil Service, Energy, teelworks, bourg, Mansion House; dines and Civil Service, Energy, First Division Civil Servants with the Dyers' Company at Public Accounts, and Foreign Affairs Select Committees.

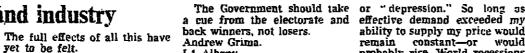
OFFICIAL STATISTICS

Department of the Environment. COMPANY MEETINGS

English China Clays, Hyde Park Hydel, Knightsbridge, SW, 12:30. McCorquodale, Waterloo Room, Institute of Directors, 118. Pall Wail SW, 10:30. Martin The Newsagents, Martin House, Ashwells Essex, 12. Roud. Brentwood. COMPANY RESULTS

Final dividends: Anglia Telrvision Group, Benirose Corporaand indices of basic rates of Cirifonds: Australian and Interwages for January, New construct national Trust, United Re.

# ANTEGRATION OF THE STANK e de la composição de l **COLO**BET TO THE panous Group INEST SCOTCH WHISH DIX SCOTCH WHISKIES BLENDED & BOTTLED BY Matthew Gloag & Son Lld-Perth, Scotland established in 1800 at the Same Aderess ALT OF SCOTLAND Quality in an age of change



Piccadilly, W1.

#### Taxing energy

wishes to tax the use of energy (particularly gas and electricity), would it not be simpler to subject it to VAT instead of forcing the industries concerned to increase their prices?

Samuel Eilon.

Science. Loyalty to

From Mr. R. Opie. Sir. — Your Lombard colum-

CBI was between 1974 and 1979? But, of course, the years roll on and things may be different now. Mr. Elliott suggests that "it will be interesting to see how the CBI copes with what could become a severe problem of divided loyalties." I leave aside the intriguing suggestiveness of the verb "become," but suggest that there is no such problem. All that is required is

ability to supply my price would constant-or would

stee!work:

National Association of Pen-sion Funds conference, East-

Engineers.

Royal Agricultural Society PARLIAMENTARY BUSINESS House of Commons: Debate on Department of the Environ-the Scottish economy. Motions ment publishes indices of

the Farm and Horticulture average

Today's Events Professor Jovan Torodović, of political and economic situation Belgrade, speaks on the reli- in Cyprus. Debate on an effec-ability concept of vehicle tive maritime policy. Debate on

of protest walkouts.

Sir Peter Gadsden, Lord Select Committees: Meetings of Mayor of London, receives Parlia-mentary Gelegation from Luxem-Industry and Trade, Treasury

earnings for Lecember

tion, Carrington Viveila, Poreign Colonial Investment Trust. Cillett Bros. Discount. United States Debenture Corporation. Updown Investment.

ment Colf

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play? If so, it will have to come to buy all the steel and cars we need from overseas.

### Drake and Scull at £2.6m HIGHLIGHTS after second half fall

TAXABLE PROFITS of Drake and Scull Holdings slipped from £1.42m to £1.33m in the second six months ended October 31. 1979, but the electrical, mechanical and construction engineer's full year result was ahead at £2.63m. compared with £2.53m previously. Turnover for the year rose by over £26m to £65.84m.

Mr. Michael Abbott, the chairman, says the record result was achieved in spite of the national engineering strike, which cost the group some £300,000 in lost profits, and much greater competition, both at home and over-

After tax of £1.15m (£0.86m), minorities and extraordinary credits of £0.29m (£0.4m debits), attributable surplus increased by 41 per cent to £1.73m.

Earnings per 25p share are shown as 6.7p (7.9p) before extraordinary items and as 8.3p (5.5p) after the same. A final dividend of 1.5p net raises the total payment by 37.5 per cent from 2p to 2.75p per share.

•	1210-2	12/1-0
•	EUCO	£000
Turnover	85,841	39,498
Operating profit	1.986	1.903
interest rec.	345	218
Share ass. profit	300	405
Profit before tax	2.631	2.526
Tax	1.150	865
Net profit	1,481	1.661
To minorities	38	28
Extraord, credits	291	†405
Attributable	1.734	1.228
Pref. dividends	214	213
Ord. dividends	503	278
Retained	1.017	737
-,	.,017	

\*Comprises UK tax nil (£322,000); overseas £189,000 (£412,000); associates\* £126,000 (nil); deferred £901,000 (£251,000); prior years credit £55,000 (£120,000). †Debit.

The chairman reports that future prospects were enhanced by the Department of Environment selling off its preference shareholding as ordinary shares to institutions in August 1979. following the friendly settlement of the company's transaction

In addition, the sale of the

#### **BOARD MEETINGS**

The following companies have notified dates of Board meetings to the Stock dates of Spard meetings to the Stock Exchange. Such meetings are usually hald for the purpose of considering dividends. Official indications are not available as to whether dividends are intesims or finals and the sub-divisions shown below are based mainly on last year's timetable.

ma Sime Darby Berhad, United Real Property Trust.
Finals—Anglia Television, Anglo-African Finance, Bemrose, Berfords, Carrington Viyella, Forsign and Colonial Investment Trust. Gillett Bros. Discount. United States Debanture Corporation, Updown Investment, Verseeing References FUTURE DATES

(nterims		
Dale Bectric International	Feb. 2	7
Mischell Cotts		
Raine Engineering Industries	Feb. 2	8
Victor Products (Wallsend)	Mar.	3
Finals-		
Braime (T, F. and J. H.)	Feb. 2	В
Cardinal Investment Trust	Feb. 2	28
Metalrax		
Stepley	Mar. 2	ñ
Vantona		
Yule Catto	Feb. 2	5

cantly strengthened its liquid These two events enabled the directors to submit a capital

reduction scheme, which received shareholders' approval at an EGM in November. Last month, the Court approved the reduction in nominal value of each ordinary share from 25p to 1p and the cancellation of the share premium account.
The effect of this capital reduc-

tion was to eliminate the nega-tive reserves attributable to ordinary holders and thus ensure continued payment of dividends after the new Companies Bill

#### comment

Figures from Drake and Scull mark something of a milestone, with the ghost of 1975's £5m loss finally laid. Most importantly, reserves are now in company interest in the Grey-importantly, reserves are now in friars. Centre, Ipswich, for the black, at £160,000 against £900,000, which will result in an last year's £5.1m deficiency. The extraordinary profit of some company reports record pre-tax £475,000 for 1979-80, has signifiprofits—though these are only

### M. J. H. Nightingale & Co. Limited

1979	<b>-80</b>				Gross	Yield	
High	Low	Сотрвлу	Price	Change	Div (p)	%	P/
99	72	Airsprung Ord,	73	+1	6.7	9,2	4.3
50	36	Armitage and Rhodes	36	_	3.8	10.6	2.4
234	185	Bardon Hill	234	_	13.8	5.9	. 6.9
100	85	County Cars 10.7% Pt.	85	_	15.3	18.0	_
101	63	Debarah Ord	90	+1	5.0	5.5	9.9
353	140	Deborah 17% CULS	350		17.5	5.0	_
96	88	Frank Horsell	96	_	7.9	8.2	6.0
129	100	Fraderick Parker	106	+1	12.8	12.1	4.9
156	102	George Blass	103	+1	16.5	16.0	-
62	45	Jackson Group	61	+2	5.2	8.5	3.6
153	113	James Burrough	114	-1	7.2	6.3	10.0
300	242	Robert Jenking	250	<b>—</b> ·	31.3	12,5	8.0
232	175	Torday Limited	219		14.3	6.5	5.7
34	16%	Twinlock Ord	21	-	0.8	4.0	4.0
30	70	Twinlock 12% ULS	76	_	12.0	15.8	_
56	23	Unitack Haldings	51		2.6	5.1	10.8
84	42	Welter Alexander	84		4.4	5.2	5.6
190	138	W. S. Yeates	183	_	11.5	6.3	7.1

meagrely up on 1977-78, and that thanks to increased interest receipts. But the company says the apparently modest profits performance, on turnover up 26m, is due to its moving into with SSAP9, governing striking of profits on work in progress. The attributable profits show a healthier improvement, with extraordinary items arising from property profits resulting in a 41 per cent rise. The current year would seem to promise a similar growth rate, pointing to a possible £100m turnover with indications for pre-tax profits of £3.5m. On that basis, with the shares at 41p, down 3p on the modest profits growth, the prospective fully-

taxed p/e of 4.4. The historic

### Increase by City Offices

FOR 1979, gross income of City Offices Company improved from fl.53m to £1.82m and pre-tax profits expanded from £1.29m to

£326,000 (£173,000). Last year there was an extraordinary credit of £48,000.

Earnings per 25p share are shown at 3.97p (4.56p) and a second interim payment of 1.7p act raises the total dividend from 2.84p to 3p. The company's activities consist of property investment and development, and investment in

#### ASSOCIATE DEAL

stocks and shares.

 $\mathbf{H}\mathbf{i}\mathbf{n}$ Samuel Investment Management has purchased, on behalf of Brockhouse Staff Pen-sions, a further 150,000 ordinary shares in Brockhouse. This makes a total holding of 1,650,000 (9.58 per cent).

I		
SPAIN ·	Prics	
rah		•
February 19	*	+or-
Banco Bilbao		
Banco Cantral :	253	÷4
Banco Exterior	214	
Banco Hispano ,	223	+4
Banco Ind. Cat	135	- •
Banco Madrid	167	
Banco Santander	264	+3
Banco Urquijo ,	173	
Banco Vizcaya	234	
Benco Zeragoze	205	
Dragados	10T	+1
Espanola Zinc	62	
Fecsa	56.7	+0.2
Gal. Praciados ,	35.5	+0.5
Hidrola	62.7	
Iberduero		
Petroleos,		8.0+
Petroliber		
Sogefisa	115	
Telefonics	54.2	-0.5
Union Elect	62.5	-

This announcement appears as a matter of record only

HELLENIC AEROSPACE INDUSTRY LTD

US\$60,000,000

Medium Term Loan Facility

guaranteed by

THE GREEK STATE

arranged by

CANADIAN IMPERIAL BANK OF COMMERCE

and provided by

Canadian Imperial Bank of Commerce

and its affiliates

The U.S. bond market has fallen further and the sharp rise in interest rates reflects the "Feds" latest credit tightening measures, Lex comments; while in the UK the leasing boom continues, with further enormous growth in 1979, although there are signs that the pace will soon slacken sharply. Lex also considers the annual report of the Lourho group and finally comments on the crash of UK toymaker Dunbee Combex Marx which went into receivership yesterday. On the inside pages there are comments on Thermal Syndicate, Drake and Scull, Ernest Jones, Norfolk Capital and Marchwiel.

### **Ernest Jones climbs** 27% to record £1.6m

PRE-TAX profits of Ernest Jones continues in 1980 with five (Jewellers) increased 27.2 per additional shops scheduled to cent from £1.3m to £1.62m in the open by this summer. The rise yield is 9.9 per cent, with divi-dend payments now secured against possible legislation by

a one-for-one scrip issue. It is in-tended to raise the authorised ordinary capital from £600,000 to £1.300,000. The new shares will not rank for the final dividend payable on April 3.

The final dividend is 5p making a total of 7.5p (3.5p). No interim dividend has previously been

Profits after tax amounted to £1.59m (£1.27m), producing earnings per 10p share of 31.9p against 27.4p.

Mr. E. Weinstein, the chair-man, commenting on the figures, says record turnover and profits were achieved despite the effect on trading of the severe weather conditions and the industrial problems faced during the second quarter,

The programme of selective expansion is being maintained and the group has acquired premises in key locations at Harlow, Peterborough, Milton Reynes, Wood Green and Blackpool. All these branches will be trading during 1980. Last year the group 45 branches—an increase of 21 since 1973.

The first quarter of the current year has shown very encouraging results, says Mr. Weinstein, and trading during the Christmas period was at a high level. He believes the group's prospects are excellent and he is confident that, in the absence of unforeseen circumstances, it has the ability to continue to produce The group's retained profit has

increased from £1.21m to £1.5m.

#### comment

The market was clearly pleased with the first full-year figures as a public company from Ernest Jones. Share prices rose 18p to 216p yesterday. There was good reason too. Pre-tax profits increased by 27.2 per cent and turnover by a similar amount largely because jewellery sales volume was up and the group opened three new branches to bring its total number of shops

cent from £1.3m to £1.62m in the open by this summer. The rise year to September 29, 1979. in the gold price did not affect group turnover, excluding VAT. group business last year. Christmas was buoyant and the crease of 26.3 per cent. crease of 26.3 per cent.

As a result of the continued growth of this "close" company, to early to tell whether the directors are recommending a one-for-one scrip issue. It is intended to raise the authorised scrip issue at the continued by the continued in the first quarter of the current year has been promising, but it is still growth of this "close" company, to early to tell whether the rocketing metal prices of the past few mouths will cause contended to raise the authorised summer resistance in High Street jewellery outlets. The total net dividend is up to 7.5p and yields comparable to last year when there was no interim. The p/e on stated earnings is 6.6.

#### Yearlings unchanged

The

batch of local authority yearling bonds is 161 per cent, unchanged from last week. Issued at par, the stocks mature on February

issues are: London Borough of Islington (£1.5m), Hambleton DC (£0.3m), Borough Council of Gateshead (£0.25m), Mansfield DC (£0.45m), Basset-law DC (£0.5m), Boston DC (£0.25m), London Borough of Brent (£0.5m), London Borough of Camden (£1m), London Borough of Redbridge (£0.5m), Daventry DC (£0.75m), Cyngor Dosbarth Dwyfor (£0.5m), Islwyn Borough Council (£0.5m), Mid Sussex DC (£0.5m), Royal Borough of Kensington and Chelsea (£0.5m), Tunbridge Wells Borough Council (£0.5m), Arun DC (£0.5m), Barnsley Metropolitan Borough Council (£1m), Chester-le-Street DC (£0.25m), Cumnock and Doon Valley DC (£0.5m), Eastbourne Borough Council (£0.25m), City of Newcastle Upon Tyne (£1m), Northampton Borough Council (£0.5m), Metropolitan Borough of Rotherham (£0.5m) and Strathclyde Regional Council (£1m).

The London Borough of Waltham Forest is raising film at 16 per cent, maturing February 16, 1983, and the Mole Valley District Council is raising £0.25m on the same basis. The London Borough of Harrow is raising through a five-year variable rate loan which matures

# Thermal Syndicate ends year ahead at £1.38m

AS EXPECTED, the contribution from the sale of processes and plant at THERMAL SYNDICATE was much reduced. from £570.000 to £72,000, but taxable profits for the October 31, 1979 year came out ahead at £1.38m, compared with £1.17m. Sir John Paget, chairman, says

each of the four profit centres showed an improvement in both turnover and profit—total turnover rose nearly 20 per cent from £10.55m to £12.64m. Last July the directors reported interim profits of £502,000

(£202,000). A further improve-ment was expected in the second half to give an overall increase for the full year. They now say they are reasonably confident the first half of

the current year will continue the improvement achieved over the Net profit came out slightly

lower at £900,000 (£907,000) after tax of £477,000 against £260,000, giving earnings of 16.93p (17.04p) per 25p share.

An unchanged final dividend of 4p net makes the total 7p (6p). The group's German company, hermal Quartz-Schmelze, achieved a small profit for the period, against a loss last time, resulting from stringent control of administrative and other costs coupled with a turnover increase he explains.

Sir John states that progre continues at Special Metals (Fabrications) with record turnover and profits. Substantial enquiries are being received and further expansion and progress can be expected during the current year. The directors feel the largest portion of the business of Special Metals, the fabrication of refractory and rare metals such as tan-talum, titanium and zirconium, is

situated in the U.S.

To gain a foothold there, the net assets, inclusive of freehold land and buildings, of Refractory Welding and Fabrication, of

DIVIDENDS ANNOUNCED 0.29Apr. 24 Apr. 3 Apr. 9 Meldrum Investment ... Mercantile Investment 1.2 1.5 Norfolk Capital ..... 0.74\* Olives Paper Mill ..... Thermal Syndicate .....

Dividends shown pence per share not except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ 1.5p final forecast. s includes special 0.5p.

Apr. 8 Apr. 30

Houston, Texas, U.S., were acquired last November for spin-offs in the shape of "know-how" sales obviously fluctuate how" sales obviously fluctuate from adding the "jam" to acting as the "saviour"—but turing of the group's interests in turing of the group's interests in the U.S., will accelerate our expansion there," the chairman

West Coast & Texas ...

West. & Country ...int.

During the year, the programme of extending production facilities at Thermal American Fused Quartz Company, Georgetown. Delaware, continued, and the company produced a satisfac-

Sir John is stepping down from the chairmanship after the annual meeting, but will stay on the board. His successor will be Mr. J. E. Bywater, who joined the board last year.

#### comment

Thermal Syndicate has got its trading profits back up to the level achieved in 1975-76, but the other main line contributor, the sale of "know-bow," pro-

and any significant improvement seems very unlikely during this year. So Thermal will sink or swim on trading operations.
Certainly the first half has got
off to a good start but there
are pricing problems in export markets, even despite the recent minor weakness of Sterling Overseas both the U.S. and Germany made significant case of tile latter moving from a £70,000 deficit into the black so there are no nice recoveries like that to come this time. Nevertheless Thermal's customers are widespread and there are obvious technical abilities which hold customers. At 119p the p/e on stated earnings of nearly 7 and yield of 8.7 per cent is fair enough though the shares

1.25

#### **INVESTMENT TRUSTS**

### Mercantile earns and pays more

GROSS REVENUE of the prices, and 66.75p (62.25p) at Mercantile Investment Trust rose from £6.3m to £8.14m for the year ended January 31, 1980, while earnings for ordinary holders were ahead at £3.7m, compared with £2.54m.

stated up from 1.89p to 2.76p and Regional Investment Trust has a final dividend of 1.8p lifts the repaid a U.S.\$600,000 loan reduc-

Revenue was struck after F. & C. EUROTRUST expenses and interest of £2.44m (£2.33m), tax of £1.87m (£1.3m) and preference dividends, £0.13m

with the interim.

Net assets per share at the year end were 62.75p (58.25p) after ahead from 0.4p to 0.7p.

#### ATLANTA BALTIMORE

Since December 31, 1979, the net total to 2.52p (1.7p) includ- ing outstanding drawings under ing a non-recurring 0.22p paid its multi-currency loan facility to

> Net revenue of F. and C. Euro-£54,100 for the half year to December 31, 1979, and stated earnings per 25p share moved

franked income of £29,600 (£15,600) and unfranked income of £137,600 (£134,600). Expenses and interest took

£71,800 compared with £90,500, and tax charge was up from £28,100 to £41,500. In the last full year, not revenue was £91,200 from which a single net dividend of 1.2p was

Net asset value per share at the half-year is shown at 62 ip (61.1p at June 30, 1979). Loans totalling DM 5.8m were repaid in September 1979. A five-year multi-currency loan

facility of £1m was arranged last down initially as FFr 7m and

# Bank on Grindlays

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**CANADIAN IMPERIAL BANK OF COMMERCE** 

7,026

6,285

1,272

1,269

27.4p

3.5p

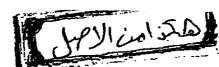
7,938

1,618

1,595

31.9p

7.5p



### Norfolk Capital Marchwiel profits down £220,000 rise

1979, compared with £707,823.

Companies and Markets

Turnover for the period expanded by £1.3m to £8.6m. At halfway, with profits ahead at £114,180 (£105,148), the direcat £114,180 (£105,148), the directors said the full year's results could be awaited with confidence. After tax of £247,985 (£219,466) net profit came through at £680,801 against £488,357 giving earnings of 3.77p

(3.32p) per 5p share.

The dividend is increased to 1.2p (0.9p) as forecast, with a final payment of 0.7p net.

A subsidiary has entered into a conditional contract with

Current book value of the property and its contents is ing a prospectif600,000 and pre-tax profits for of 15.2, with 1978/79 were £30,500. At current at 4 per cent.

Norfolk Capital's figures show a

a conditional contract with Marks and Spencer for the sale of the Red Horse Hotel at Stratford-upon-Avon for £1m cash.

The sale is conditional on M and S obtaining planning permission for the change of the use of the hotel to a retail shop.

Current book value of the property and its contents is £600,000 and pre-tax profits for 152, with the historic yield at 4 per cent.

#### Standard Life bond issue

The Standard Life Assurance Company, the largest life company in Scotland, has expanded its unit-linked life operations with the launch of its regular premium plan the Regular Investment Bond.

The number of bonds now outstanding is 47,899 representing \$47,899,000.

Advance

The company entered the linked life market last October with the launch of its lump sum investment plan, the Single Premium Capital Bond. This has already attracted £4m of invest-

However, the company's regular savings plan is aimed at the upmarket investor. It follows the usual form of maximum investusual form of maximum investus in usual form of maximum invest-ment with minimum death cover £342,020. necessary to qualify for tax re-

The plan is for a basic term of ten years, at the end of which the investor can take a tax-free lump sum, tax-free income or continue the contract for a further ten

managed fund, where the com-pany decides on the mix of other funds. The fixed interest fund has reached £2m, and the equity fund

Standard Life intends to offer a complete product range in its advantage of any upturn in unit-linked operations. Pension plans, both for the self-employed and executives, will be launched later in the year.

#### ICI CONVERSION

Holders of 3,964 \$1,000 6% per cent Imperial Chemical Indus-

**EUROPEAN OPTIONS EXCHANGE** 

10 3.10 40 6.90

8.50 4.50 — 1414,

3 -

BASE LENDING RATES

. =

418 25.50 18 16.50 9.50 4.50 0.50 1.20 4.80 8.50

performance in line with market forecasts, and the September property revaluation—giving a net asset value of 79.5p per share—helped the shares up 2p to pated lower results in their interim report and estimated that brofits for the year would be 43p. While in volume terms interim report and estimated that London hotel occupancy was on average 10 per cent lower year-on-year in January to August 1979, the larger chains like Norsally held the decline to percent folk held the decline to nearer two points. This was in turn more than offset by reduced discounting, and April's tariff increase. Interest charges remain heavy, at £586,000 for the

by Olives

Paper

At the interim stage, when reporting an advance from £148,923 to £158,130, the directors said they anticipated full year results would compare favour-ably with those of 1978.

The investor has a choice of the outcome will inevitably six funds, with full switching facilities. The most popular fund for hond investment has been the managed fund, where the company to the company and a return to more peaceful induction. trial relations. Recent and current capital investment in new plant will considerably strengthen the company's operation and the board is confident of the company's ability to take full

On earnings per 20p share up from 4.95p to 7.38p, the final dividend is 0.77p net for a 1.5p (1.34475p) adjusted total.

After tax of £105,537 against £166,647, net profits showed a rise from £158,459 to £236,483. This included £57,508 of Governtries convertible guaranteed ment grants relating to previous bonds have exercised their right years and £44,000 of deferred tax of conversion into ICI ordinary. in respect of tax relief released.

1 : 15 F.291,20

F.25,30

F.66,70

DM 148.48

DM 181.18 DM275.20 \$11234 DM157.10

# but strong balance sheet

amounted to £12.43m for the year to October 31, 1979, against

by £1.29m, profits would have been some £2.4m lower at

£11.13m. After an exceptionally low tax charge of £1.64m (£7.02m) stated earnings per share are 31.6p against 19.3p. The final dividend is the forecast 3.6p making a total of 6p compared with the previous year's 5p.

Turnover increased from £187.54m to a record £238.88m. man, blames the disappointing profit result on the prolonged winter last year and continuing losses on large civil engineering

Outside southern Africa and Portugal, operations overseas did not prosper, the chairman adds. Pre-tax profits are after depreciation of £7.16m (£6.45m), hire of plant and machinery, £10.1m (£7.67m) and interest, £650,000 27,000) but includes invest-ment income, £1.19m (£1.93m)

and interest received, £3.01m Profit is also struck before extraordinary debits of £2.12m against £2.76m.

The law tax charge arises because of stock appreciation relief for 1973 and 1974 amounting to £3.3m being released as a result of the 1979 finance act. It is also estimated that cannal allowances for the year of £1.8m are now not required and have not been provided.

other overseas subsidiaries.

A valuation of properties at October 31 showed a net surplus of £5.27m. To comply with SSAP 6, individual deficits amounting to £518,000 have been charged to extraordinary items while surpluses totalling £5.79m have been credited directly to

At the year end, shareholders' funds amounted to £58.5m (£46.4m) and general liquid resources and short term investments remained at a high level. The directors are continually investigating oppositions for investigating opportunities for investing a substantial part of these in new activities which will expand the group. Activities outside heavy con-struction continue to make an

increasingly significant contri-bution to profits, the chairman

says.
The domestic order book is not as strong as last year, but is satisfactory in the circumstances. The position in Portugal and South Africa is good but the group is very short of forward orders elsewhere abroad, Mr. McAlpine says.

On several public sector contracts, there are significant sums of money outstanding which the group has every expectation of recovering. The financial implications of delay are considerable since payments, when they are made, do not automatically-include allowances for interest, the chairman adds.

#### comment

There were few real surprises time.

from Marchwiel yesterday. The Sales advanced in the six price up 6p to 88p. Yet this up from 1.17p to 1.43p.

relief is however available for tracting/civil engineering sector losses incurred by certain has been in the doldrums for some time and there is little cause for optimism about the global overcapacity which has been hurting the group's overseats interests, particularly in places like the Sudan. Heanwhile, soaring mortgage rates have cut into the group's housebuilding side. A more beartening factor is the continuing hydro-electric project at Dinorwic, which contributes a healthy part of group turnover (ubout £30m) and is the group's largest single 10b. But business is tough and Marchwiel will be no exception if the rest of the

ndustry continues to suffer. At

the predicted total not dividend

of 6p, the yield is 10 per cent. The p/e comes to 2.7 on stated

#### Excalibur Jewellery improves

AN IMPROVEMENT in taxable profits from £398.894 to £476,778 is reported by the directors of Excalibur Jewellery for the first half to October 31, 1979, in the hast full year, the surplus went shead to £882,354 compared to

The interim dividend is stepped up from 0.2942p to 0.56p-a final of 0.8258p was paid last

board had predicted a pre-tax muntas from £2.95m to £3.16m. profit of around £11m and the After (ax of £247,925 (£207,425) news of £12.4m bumped the share stated carnings per 5p share are

### Lonrho changes accounting policy on valuation surpluses

The board of Lourho is revis- wil) be aware of the increasing auditors of further major Subing its accountancy policy for investment in the UK and in the sidiaries presently audited by surpluses arising on valuation of Americas, the board explains. fixed assets and in future the entire surplus from professional valuations of fixed assets will be credited to reerves.

In their annual report, the directors say this policy will be adopted for the year to Septem-ber 30, 1980 which is the first full year which will benefit from the substantial acquisitions of SUITS. Princess Properties International and the Dutton-Forshaw Group.

The directors say the UK accountancy bodies do not give guidance on the definition of surpluses from valuations of fixed assets and the accounting treatment of depreciation shown to be overprovided. "When a definitive Standard on this matter is issued, the board will naturally ensure compliance therewith," the directors state.

part of the group, shareholders subsidiaries and will become

The changing emphasis to investments in developed countries, means that new ventures requiring substantial provision against

fixed asset values in early years have less impact on the group. As reported on February 5 with a full review of the group's oper-ations, profits before tax for 1978-1979 amunted to £84m (£93,64m) after credits of £7.67m (£19.46m). It is also proposed to increase the group's capital from £62.5m

to £72.5m by the creation of 40m new ordinary 25p shares. The directors have considered the present arrangements for the audit of Lonrho and its subsidiaries and one of the auditors. Touche Ross and Company, has agreed not to offer itself for reelection. A resolution for the re- employee earned between £25,000 appointment of Peat, Marwick, and £30,000. Mitchell and Company, one of the retiring auditors, will be pro-

While investment in develop- posed at the AGM.
ing countries, particularly in Touche Ross will continue as
Africa remains an important auditors of certain major UK

Shareholders are also being

asked to approve the acquisition of the outstanding 50 per cent interest in Nyaschere Copper (Private) in Zimbahwe. The outstanding 50 per cent has been held by a company indirectly controlled by Mr. R. W. Rowland. the Lonrho chief executive. Nyaschere Copper is a wholly

owned subsidiary of HCC Investments in which the Lonrho group has a 50 per cent share. Emoluments of Lord Duncan-Sandys, the chairman, are shown highest paid director received £86,667 (£80,000). Six UK employees received between £20,000 and £25,000 and one

The shareholding of Mr. Rowland remaine dunchanged at 26.25m ordinary shares, Meeting, Grosvenor House, Park Lane, W.,

### REPORTS AND ACCOUNTS IN BRIEF

REPORTS AND ACCOUNTS IN BRIEF

ASHDOWN INVESTMENT TRUST—
Results for year ended November 30, 1978 reported January 24. Listed invessments in UK £13.32 m [£13.64m], outside £13.32 m [£2.32 m [£2.32 m], outside £3 m [£3.64m], outside £

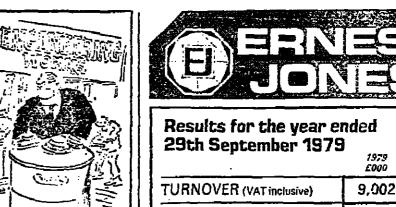
#### Leipzig Fair 9/15 March 1980

German **Democratic** Republic



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TURNOVER (VAT exclusive)

**PROFIT before TAXATION** 

PROFIT after TAXATION

DIVIDEND per Share (net)

# Group turnover increased by 26%

Group profit increased by 27%

\* 1-for-1 Scrip Issue proposed

Points from the Chairman's Statement:

\* Trading during first quarter of current year was at a very

ERNEST JONES (Jewellers) Limited Shifra House, 1–7 Harwood Alements in Name 1

Copies of the Report and Accounts may be obtained, on or after 27th February, from The Secretary.

EARNINGS per Share

-the world's largest in multicluser of Industrial Surgion Ceaners. Eury St. Ecmunds, Suffack 0254 63153

### KENNECOTT

Producer of ccpper • moly sdenum • gold silver • lead • zina • obtopives specialty industrial products pollution control equipment Clarium alag Sen and iron powders

Same S

#### QUARTERLY DIVIDEND

cash distribution of 334 per chare a total of approximately 31,500,000) was veted by the Board of Directors to be paid March 17, 1990 to Hennecott clese of business on February 26, 1980.

DOMALD D. GEARY, Secretary

KENNECCTT COPPER CORPORATION 161 East 42nd Street New York, N. Y. 10017

### The Tokai Bank Ltd

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Series A Maturity date 20 August 1980



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the final six month interest period from 20 February 1980 to 20 August 1980 the Certificates will carry an Interest Rate of 151/a % per annum. Agent Bank

> The Chase Manhatian Bank, N.A., London



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US \$20,000.000

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT MATURITY DATE FEBRUARY 19. 1982

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month Interest Period from February 20, 1980 to August 20, 1980 the Certificates will carn, an Interest Rate of 15 s aper annum.





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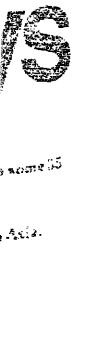
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**ADDRESS** 

Not applicable to Eira

Investment Intelligence Ltd.



S ROSSE S

Cayler Ltd.
Gedar Holdings 17 %
Charterhouse Japhet 17 %
Choulertons 17 %
C. E. Coates 17 %
Consolidated Credits 17 %
Cooperative Bank 17 %
Corinthiau Secs. 17 %
The Cyprus Popular Bk 17 %
Duncan Lewrie 17 %
Eacil Trust 17 %

TOTAL VOLUME IN CONTRACTS

Allied Irish Bank ..... 17 %
American Express Bk. 17 %
Henry Ansbacher ..... 17 %
A P Banks Ltd. ..... 17 %
A rbuthnot Latham .... 17 %
Associates Cap. Corp. .... 17 %
Banco de Bilbao .... 17 %
Bank of Credit & Crace. 17 %
Bank of Cyprus ..... 17 %
Bank of N.S.W. .... 17 %
Banque Belge Ltd. ... 17 %
Banque Belge Ltd. ... 17 %
Banque du Rhone et de

A.B.N. Bank ...... Allied Irish Bank

Hambros Bank 17 %
Hill Samuel 517 %
C. Hoare & Co. 17 %
Hongkong & Shanghai 17 %
Industrial Bk. of Scot. 17 % Keyser Ulimann ..... 17 % Knowsley & Co. Ltd... 181 % Langris Trust Ltd. .... 17 % Morgan Grenfell Morgan Grenfell ...... 17 % National Westminster 17 % Norwich General Trust 17 P. S. Reison & Co. ... 17 Rossminster .....

# Hambros Bank .......

Ryl Bk Canada (Ldn.) Schlesinger Limited ... 17 E. S. Schwab ........... 17 Security Trust Co. Ltd. 18 Standard Chartered ... 17 Trade Dev. Bank .... Trustee Savings Bank 17 Twentieth Century Bk. 17 United Bank of Kuwait 17 Whiteaway Laidlaw ... 171% Williams & Glyn's ... 17 % Wintrust Secs. Ltd. ... 17 % Yorkshire Bank ...... 17 %

Members of the Accepting Houses Committee.

Buncan Lawrie 17 %

E. T. Trust Limited 17 %

First Nat. Fin. Corp. 181%

First Nat. Secs. Ltd. 18 %

Robert: Fraser 18 %

Antony Gibbs 17 %

Greyhound Guaranty 17 %

Grindlays Bank 17 %

Guinness Mahon 17 %

Demand deposits 15%. 7-day deposits 15%, 1-month deposits 15%. 7-day deposits on sums of £10,000 and under 15%, up to £25,000 151, and over £25,000 151, %. 1 Call deposits over £1,000 15%.

The state of the s



DCM RECEIVERSHIP

### A case of too much too soon

BY ARNOLD KRANSDORF

FOR Richard Beecham and Basil joint managing directors of toymakers Dunbee-Combex-Marx, yesterday was the saddest day of their lives. After a battle lasting more than two years, the company they founded 34 years ago was in ruins.

Just two years after turning in record profits of £6.4m, they have been forced to ask Midland Bank, their main backers, to appoint a receiver. Now DCM, whose products include such famous names at Pedigree. Scalextric and Sindy, is headed to be sold off piecemeal-a fate endured by another major toy company. Lines Brothers, nine

In DCM's case, its recipe for disaster was simple enough. In essence, it made the classic mistake of expanding much too quickly in a market that it did not know well enough.
What brought it down was that

it had taken on too many com-mitments and loan guarantees in relation to the size of the original UK business. The UK operation had itself been weakened by the sbarp recession in the toy industry, by the impact in the toy industry, by the impact of sterling on export markets and by record interest rates. The UK business has remained profitable but not profitable enough to support the burden-

some overseas operations. The decision to appoint a receiver is the end of the line for one of Britain's best-known toy companies. The group probably supplied about 90 per cent of all toy retailers in the UK

In the UK there are five toy subsidiaries—Combex, based in Peterborough, Burbank of Wellingborough, Louis Marx in Swansea, Rovex in Margate and Nova, of Maxey, near Peter-borough. The DIY and Industrial division included such names as DCM Plastics, Decco and Stephen Wilson Services.

At one stage there were overseas operations in Australia, France, Holland and West Germany with the North American division including operations in the U.S. Canada, Hong Kong and Singapore. DCM also supplied moulds to Russia in exchange for manufactured products and had an exclusive £25m 10-year trading agreement with China.

DCM's troubles started in 1978 when it was decided to expand the group's operations in the U.S., the world's biggest toy U.S., the world's biggest toy market. It did so by acquiring the toy and model business, and certain other assets, of Aurora Products Corporation, a subsi-Products Corporation, a subsi-diary of the Nabisco foods group. The group was already operat-would go ahead and pay it out ing profitably in the U.S. through of reserves.

its existing Louis Marx subsi-diary acquired in 1976 from Quaker Oats but things started into the existing factories.

Aurora was the market leader losses. in the U.S. for model car racing sets, holding a 45 per cent market share. However, it had been a persistent problem to Nabisco, chalking up losses of roughly \$20m in the previous four years. In spite of this, DCM bought

Aurora's assets, totalling around \$20m, for \$11.5m, and said at the time it hoped to turn the business round to profits in one year. The company was confident enough to predict at the time that it hoped to apply for a list-ing on the New York Stock Ex-

change as soon as the U.S. operation was on a more profitable basis. Up to then, DCM had established one of the fastest growing profit records over the previous decade. As early ago as 1970 profits were a mere £0.3m but by 1977, after rapid organic growth

and acquisition, pre-tax earnings had topped £6.4m. But in 1978 the first cracks appeared, in spite of an optimistic statement by chairman Lord Westwood at the annual meeting

Just three months later, the £3.7m to a loss of just under £3m Lord Westwood warned that fullprevious year's peak.

In the previous month the group's share price was standing at 153p but ahead of the figures it had slumped to 120p, falling another 20p after the implica-tions had set in. The sharp fall in the share price ahead of the announcement subsequently snarked off a Stock Exchange investigation into possible insider dealings, but no statement has yet been issued.

In the meantime, worried in-stitional shareholders succeeded with DCM at which the directors the necessary remedies were being implemented.

Apologising for misjudging its forecasts, the group said that although Aurora was "rotten to the core" and that Louis Marx's sales were likely to be below budget, the U.S. operation was expected to at least break even for the full year. Further, they expected the dividend to be maintained out of earnings.

But six months later, in April, 1979, the company disclosed that because of overseas losses, 1978 earnings would not be sufficient to cover a maintained dividend. However, because of confidence had committed itself to back

In the meantime, the company mounted its defensive strategy. Quaker Oats but things started Little over a month later, in to go wrong when the group tried April. 1979, the company to integrale the new company revealed its 1978 results—profits had tumbled from £6.4m to £1.2m appointed.

At the time of the acquisition mainly because of overseas

was still making optimistic noises. In his annual statement in July, Lord Westwood reported that there was intense internal activity going on — the first stage to setting the group on a course "eventually surpass former profit levels."

Part of the strategy was a proposal to float off the successful DIY and industrial division in order to inject capital into the mainstream toy business.

However, any euphoria was son overshadowed by the com-pany's decision to withdraw the 1978 report and accounts and issue another. The company said it had discovered certain accounting errors, the basis of which was a failure to consolidate subsidiary companies correctly.

In the original version, all DCM's bank loans and overdrafts were described as secured where-as in fact £15m of the £26m total was unsecured. There was also a discrepancy over current and non-current liabilities where a current liability should have formed part of a non-current

The picture became even more gloomy when, in November last year, the company revealed that first half losses in 1979 had increased by £5.12m. Then came the announcement

that gave new hope; a deal was in the pipeline to extricate the group from direct involvement in the U.S.

Letters of intent had been signed with two U.S.-quoted com-panies to hive off the group's burdensome activities across the North Atlantic but agreement was still subject to approval by the main boards of the companies' concerned. A decision was expected by the end of January. But things dragged on and earlier this week it was learned that the two companies involved · Empire of Carolina and Leisure Dynamics-were not prepared to do a deal. The main reason, it appeared, was the move by creditors in the U.S. to file a petition under Chapter 11 of the Federal Bankruptcy Act to

preserve their rights.

This effectively compels the company to work out a plan to pay its debts which, according to Louis Marx, total \$110 against assets of \$98m. Although, under U.S. law, the parent company is not automatically liable for the debts of its U.S. subsidiary, DCM some of these debts.

According to yesterday's state-

ment, the effects of this is such that DCM cannot meet its liabilities. Accordingly—in the absence of further backing by its main backers, the Midland Bank -the company has been forced to request that a receiver be

### Judge rules in favour of Prudential

expensive high court actions in recent history; the Prudential Assurance against Newman Industries and others.

In a reserved judgement which took 1! days to read, the judge ruled in favour of the Pru and established a significant precedent by extending the circumstances where a shareholder can bring proceedings against directors of a company.

The judge accepted the Pru's two allegations that a circular issued by Newman in 1975 had been tricky and misleading and that action by two directors of the company amounted to conspiracy. directors, Mr. Alan Bartlett and Mr. John Laughton, had recommended to shareholders of Newman that the company buy all the assets and liabilities of Thomas Poole and Gladsone China except its holding in

Mr. Bartlett and Mr. Laughton were respectively chairman and vice-chairman of both Newman and TPG and the judge said that they were pressured by the deteriorating financial position of TPG into pushing through its sale to Newman at an unrealis-tically high price. The two men held a 35.8 per cent stake in TPG, primarily through a private company called Strongpoint.

The judge said the Newman circular had been tricky and misleading on a variety of counts. A statement that "the board is satisfied that the benefits

MR. JUSTICE VINELOTT yester which will accrue to the comday concluded his judgement on pany as a result of the agree improbable spectre of a reverse holders issued by Newman and of Newman was suffering through
one of the longest and most ment fully justify the price paytakeover of Newman by TPG dated June 21, 1975. The deal the time which he was having able" was false, since the full board had not approved of the deal and had not been appraised forma balance sheet. of all information relevant to it.

Furthermore, the affirmation that auditors Deloitte and Co. had stated the price to be fair was misleading since the shareholder would assume that the board had presented in a fair way all relevant information to Deloitte. This was not the case, the judge said.

Mr. Justice Vinelott also ruled

that the attributed values in the circular were misleading since they were much higher than the quoted market values and that the loans entered as assets in the circular were substantially overvalued. In particular, he noted that promissory notes owed by a company called Smithamcote were entered at face value when Smithamcote had already defaulted on payment

A payment of £216,000 to TPG on account of the consideration had been concealed both from the board and from the auditors, Mr. Justice Vinelott said, adding that the date of payment was also hidden from shareholders. The judge took issue with the commercial reasons for the sale which he described as "so

have been honestly entertained as even a valid reason On the question of conspiracy, Mr. Justice Vinelott also cited a string of instances. He said Bartlett and Laughton had constructed a false

extravagant that they could not

and attributing a misleading value of £350,000 to TPG in a pro

At a meeting on March 17, 1975, Mr. Bartlett and Mr. Laughton used their influence to-ensure that auditors and not a merchant bank carried out the valuation, the judge said, in the belief that they would thereby obtain a more favourable valua-tion. The Stock Exchange, the auditors and the Newman board were subsequently provided with

misleading information. The expense and longevity of the case was considerable but Prudential took the view that its action would bring wider benefits by clarifying murky areas of strate that at least one powerful city institution was prepared to take up arms on behalf of small

The Pru itself will gain little from the case, at least directly. It has never owned more than 5 per cent of Newman Industries equity and, whatever the inquiry as to damages determines, it will hardly grow rich on the pro-ceeds. The Pru has, however, thrown a good deal of light on labyrinthine sequence events.

The package to be sold to Newman amounted to almost the whole of TPG. The assets were valued at £1.5m and the liabilities at £1.17m, leaving a net purchase price of £325,000. Details of the proposal

was subsequently approved at an extraordinary general meeting, despite the Prudential's opposition, and the sale was com-

The circular has been the cornerstone of the Pru's case. It charged that the document was misleading and, after originally seeking rescission of the whole deal, amended pleadings to claim damages in lieu of rescission.

The two central witnesses called by the Prudential were Sir Charles Ball, and Mr. Angus Murray, chairman of Redman Heeneo. Sir Charles, who is a former chairman of Barclays Merchant Bank, gave evidence on the method of valuation used by Newman. He said, for example, that Smithameote is which Newman bought a significant stake through TPG, was already insolvent at the time of the circular.

Sir Charles was recalled to the witness box after the disclosure of a fresh batch of documents and said that, in his opinion, Newman should have been paid a net figure of around £250,000 for the package—a discrepancy of £575,000 from the figure actually agreed.

Mr. Bartlett argued that £325,000 represented a fair price because of the earnings potential of the companies being sold. He also pointed out that Deloitte. the city accountants, had stated

the time which he was begins to devote to the case.

The second leading witness for the Prudential was Mr. Angus Murray, who had been a nonexecutive director of Newman until early 1975, when he resigned and expressed vigorous opposition to the deal. He described the often stormy meetings which led to the sale and what he saw as the determination of Mr. Bartlett and Mr. Laughton to push it through regardless of the interests of Newman share

Mr. Peter Cooper evidence on behalf of Deloitte which is by coincidence the Prudential's auditor. He main-tained that the attributed value was a fair one but conceded that he had been acting under unusual pressure of time when assessing the figres.

The case has already cost two principal defendants a good deal. Mr. Laughton withdrew instruc-tions from his counsel in mid-July claiming that he had exhausted his resources and Mr. Bartlett was obliged to sell 225,000 shares in Newman in order to meet his costs.

For most of the case Mr. Bartlett was the only active defendant and he spent several days in the witness boy. Mr. Laughton, by contrast, was not called as a witness and avoided the limelight.

The .two other defendants, Newman and TPG, mostly played that the price paid represented Newman and TPG, mostly plays a fair value. Mr. Bartlett told a nominal role in proceedings.

#### **BIDS AND DEALS**

### Burgess bid for Norrington is valued at £800,000

FREDERICK H. BURGESS, the unquoted agricultural engineer, emerged as the bidder for Henry Norrington and Son, also an agricultural engineer, with an offer which places a value of nearly £800,000 on the company. Burgess is offering 21p in cash

or 21p nominal of a variable rate guaranteed unsecured loan stock 1980/84 for each Norrington share which compares with a suspension price of 16p. Burgess, which is the largest agricultural machinery dis-tributor in Europe, held 135,000

Norrington shares prior to their suspension on February 4th. This represented 3.5 per cent. On February 7, they bought 207,026 ordinary stock units (5.4 per cent) at a price of 21p ex. div. On that date Burgess also acquired options to pur-chase a further 577,053 ordinary stock units in Norrington (5.1 per cent) at a price of 21p ex.

Listing of the group's shares are to be restored this morning. Subject to no higher offer

being received, the directors of The current new building price Norrington, with the exception of Mr. C. D. H. Lewis, recommended shareholders to accept the offer and have themselves, together with their family holdings, undertaken to accept it in-respect of 1.32m ordinary stock units representing 34.8 per cent

of the capital.

Together with its options,
Burgess now commands a 58.9 per cent interest

#### City & Cont'l in talk with Australind

City and Continental Property. a private property group, is hold-ing takeover talks with Australind Steam Shipping, in which P & O has a 38 per cent stake. Australind has two SD14 ships and one SD15, plus a shipbroking arm, Trinder Anderson. At current market prices the three ships are worth around \$18m.

MURATA MANUFACTURING COMPANY LTD.

(CDRs)

The undersigned announces that the Semannual report ended September 20, 1979, or Murate Manufacturing Company Low will be available in Lucenbourg at Linembourgeoise and forther in Amsterdam Rn.V. Amsterdam-Rotterdam Rn.V. Bank Mees & Hope N.V. Pierson Heidring & Pierson N.V. Kas-Associatie N.V. Amsterdam.

Amsterdam.
February 14th, 1980.
AMSTERDAM DEPOSITARY
COMPANY N.V.

NOTICE IS HERRBY GIVEN that the Board of Directors have decided to recommend to the stockholders at the Annual general Meeting to be held on 28th February 1980 next, the Declaration of a Final Dividend of 18 certs per unit of ordinary stock, making a total of 20 cents for the year. Audied Consolidated figures for 12 months ended 30th Sectember last Sales T.T. \$73.52.794 Next Profit before taxation 7.T. \$31.416.555 after taxation 7.T. \$31.446.555 after taxation 7.T. \$31.2.298. compared with figuresfor 12 months to 50th September of the previous year Sales T.T. \$28.093.548 the previous year Sales T.T. \$28.093.548 the previous year Sales for 12 months to 50th September of the Profit became the sales for 12 months to 50th September of the Taxation \$3.188.833. Dividend Warrants will be existed in Transfer Books will be closed from 20th February 1980 by 25th February 1980 both days inclusive.

A. J. HEDGER, Transfer Officer.

A. J. HEDGER, Transfer Officer. S. Bishopsgarte. London, ECZN 3NN.

JUSCO CO. LID.

At a meeting of the Board of Directors of the above Company held on 21st January 1980. It was resolved that a free distribution of the state of the

Q. P. CORPORATION

Q. P. CORPORATION

(Q. P. Kabashiki Kaisha)

NOTICE TAP HOLDERS OF
EUROPEAN DEPOSITARY RECEIPTS

("EPRS")

EDR holders are Informed that the sixtyseventh Ordinary General Meeting of Sharemolders of Q. P. Corporation will be held
at 10 am. (Tokyo time) on Thursday.

28th February 1980 at the Head Office
of the Company 1980 at the Head Office
of the Company 1980 at the Head Office
Room), 4-13. Shibaya 1-Chome, Shibayaing business:

1 Receipt of report on election of
Account, Auditor; and
2 Approval of the balance sheat as of
Shib November 1979, business report
and Statement of income and proposed appropriation of retained earnings for the Shibayaings the Shiba

for a SD14 is around \$11.5m. At the end of 1978 Australind had shareholders' funds of £3.2m and secured borrowings of £4.8m. A pre-tax loss of £0.6m was incurred in 1978.

City and Continental is a private holding company for a group of property development and investment companies operating in the West Midlands and in the West End of London. The company is controlled by Mr. John Brown and the value of its current investment programme is said to be worth £25m. Mr. Brown is understood to

have had a long-standing interest in shipping and his company has advised Australind that it intends to develop and expand One of the big attractions of a

shipping company to a prospective purchaser is the unused capital allowances and the free depreciation. For companies making large profits a shipping company can provide an attractive tax shelter. **CERAMIC HAS 28%** 

OF ARMITAGE

Investments Ceramic bought 200,000 Armitage Shanks Group shares at 101p. Ceramic now owns 9,002,500 shares (28.6 per cent). The offer by Blue Circle for Armitage closes tomorrow.

CONTROL SECS. £1.2M PROPERTY DEAL
Control Securities has sold its freehold interest in Phase I of

its industrial park at St. Peter's Road, Huntingdon. The purchasers are one of the major Scottish institutions. The price for the 57,000 sq ft unit, producing a rental in the region of £85,000 a year, was

about £1.2m. The entire first phase is let to Insulpak which is a wholly-owned subsidiary of Dart Incorporated of the U.S.

When completed, the St. Peter's industrial park will comprise some 200.000 sq ft of fully landscaped warehouse and factory accommodation on a 124acre site. Control Securities is proceed-

ing with the construction of Phase 2, scheduled for completion in the autumn and offer-ing factory and warehouse units between 10,000-40,000 sq ft. RACAL/DECCA

The Kuwait Investment Office has confirmed that it sold half its 10 per cent stake in Decca to Racal last Thursday. It still retains 365,000 voting shares.
After obtaining irrevocable acceptances from a number of institutions holding around 14 per cent of Decca's votes, Decca and Raeal combined to persuade a number of others with some 6 per cent to sell their shares through the market by way of a "put through"—a pre-arranged deal—conducted by Carr Sebag on Thursday afternoon. It was this deal which gave Racal control of Decca and shut

GEC out of the bidding. Hill Samuel Investment Hill Samuel Investment Management, as associates of Racal has, on behalf of discretionary investment clients, bought 250 GEC at 381p and

350 Racal at 214p, and sold 1500 GEC at 376p. Carr Sebag and Company, on behalf of Racal yesterday, bought 196,900 Decea ordinary at 600p. COMPAIR

Grieveson Grant, as an associate of Imperial Continental Gas Association, has bought, on behalf of IGGs 200,000 Compair ordinary at 103p. Morgan Grenfell, as an associate of Compair, has purchased on behalf of discretionary clients two blocks of ordinary shares at 103p; one of 80,000 and one of 70,000.

NASH/RELIANT. The offer by J. F. Nash Securi-

ties for the minority in Reliant Motor Group has been accepted in respect of 5,273,458 Reliant ordinary shares (90.5 per cent of those not already owned) and 95,553 preference shares (95.6 per cent). Balance will be acquired compulsorily.

### Tung's reasons for Furness takeover

having useful discussions with Furness Withy and more are planned for later this week, according to Mr. C. H. Tung, the son of the founder of Hong Kong's second biggest shipping

Speaking at a Press conference in London yesterday, Mr. Tung explained that Furness Withy's activities were complementary with those of the Tung group and this was one of the main attractions behind the bid. Mr. Tung said that the com-

bined group would benefit from economies of scale both on the financial and operational side. He also said he was attracted by Furness' stake in the offshore market, and its stake in Overseas Orient Overseas Container

(Holdings), the quoted arm of the Tung empire, announced a 360p per share bid for Furness Withy on February 14. which values the group at £96.5m.

Mr. Tung stressed that it was his intention to maintain the British character of Furness, been placed and he would like to keep its 16 tions at 90p. per ceut stake in Overseas Meyer last month arranged a Containers, which he described £15m medium term multi-curas one of the most efficient ship rency loan to part finance the ping companies in the world. He said it was much too early expansion.

to reveal any plans for what the Tung group would do with Furness majority owned sub-sidiary, Manchester Liners. The majority of the 119 ships

in 9.4m dwt Tung shipping fleet fly under flags-of-convenience. However, Mr. Tung stressed that he wanted to increase the propor-tion flying the British flag. While the Tung group is very much a bulk shipping enterprise, and Furness a liner shipping company, there are certain similarities between Furness and Orient Overseas Containers. which operates a fleet of 22 con-

tainer ships. MLM TO ISSUE

MORE SHARES Montague L. Meyer has opted to reduce the cash element of the purchase consideration for Van Riesen Beheer, a Dutch timber merchant, by the issue of further ordinary shares.

As part of the Fls 29.4m (F/m) deal Meyer has already issued 320.000 shares. Meyer plans to issue a further 3.32m shares to the vendors of which 3m have

Dutch acquisition and for further

E de la constante de la consta

#### 113rd CONSECUTIVE QUARTERLY CASH DIVIDEND

The Board of Directors of ENSERCH Comoration on January 31, 1980, declared a regular quarterly dividend of 39 cents per share of common stock, payable March 3, 1980, to shareholders of record February 15, 1980.

For additional information, please write to Benjamin A. Brown, Vice President, Finance, Dept. L; 301 South Harwood, Dallas, Texas 75201.

**ENSERCH** 

#### THE BRUNNER INVESTMENT TRUST LIMITED

Managers: KLEINWORT, BENSON LIMITED

Extracts from the Statement by the Chairman, Mr. T. B. H. Brunner, and summary of the results for the year ended 30th November 1979. Net income rose by 23.6 per cent to £816.192. Your Board recommends payment of a final dividend of 2.75p per share resulting in a total distribution of 4,90p, per share (4.00p in 1978).

The value of invested funds after deduction of prior charges at par and nec current liabilities increased by 3.7 per cent. to £21,882,346.

Since the year end we have added to our investments in Japan and the Far East.

EARNINGS per Ordinary	1974	1978	1979
Stock Unit (Net)	2.61p	::#13p	5,700
DIVIDEND per Ordinary Stock Unit (Net)	2.43 <sub>p</sub>	4.00p	4,900
NET ASSET VALUE per Ordinary Stock Unit	47.6n	131.9n	136.80

The Annual General Meeting will be held at 20 Fenchurch Street, London EC3P 3DB on Friday 14th March 1980 at 1245 pm

#### RESIDENTIAL PROPERTY



#### **VILLARS Switzerland**

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For immediate information Mr. Chr. Marich, our Sales Manager. will be in London at the Dorchester Hotel, Park Lane. W1 - Tel: 01-629 8888 on Tuesday, February 19th: Wednesday, February 20th; Thursday, February 21st

Telephone: 25/35 31 41 and 35 22 06 - Telex: 25 259

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CANARY ISLANDS areas of 75 hectares may be bought. Detailed studies for the development are existing

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Tel: 36 43 83

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SWITZERLAND Villars s/Oilon (1200 m) hours by car from Geneva air EXCLUSIVE PROPERTY Exceptional situation, extensive view. garden, Reception fooms, 8 rooms each with bath & tollet. I + accommodation for staff, garage & parking area. re. Write: J. Starler P. Box 24. CH--1884 Villars Switzerland.

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\*\*\*\*\* BON APPETIT ON THE OPAL COAST

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TIME OFF, 2a Chaster Close, London SW1X 780. 81-235 8070 <del>~\*\*\*\*\*\*\*\*\*\*\*\*</del>

### **COMPANY NOTICES**

#### **GENERAL MOTORS CORPORATION**

NOTICE IS HEREBY GIVEN that resulting from the Corporation's Declaration of a DIVIDEND of \$1.15 (gross) per share of the Common Stock of the Corporation payable on 10th March, 1980, there will become due in respect of BEARER DEPOSITARY RECEIPTS a gross distribution of 5.75

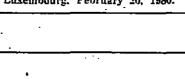
The Depositary will give further NQTICE of the STERLING EQUIVALENT of the net distribution per UNIT payable on and after 17th March, 1980. THE CORPORATION'S FINAL REPORT FOR 1979. Authorised Depositaries are assisting in the distribution of this report to holders of Bearer Depositary Receipts. Copies may also be obtained from Barciays Bank

Barclays Bank Limited, Securities Services Department, 54 Lombard Street, London EC3P 3AH.

#### PROVINCE OF NEWFOUNDLAND 9% 1977/1989 U.S. \$50,000,000

Pursuant to the terms and conditions of the Bonds, notice is hereby given to Bondholders that, during the twelve-month period ending February 14, 1980 U.S.\$1,250,000 of such Bonds were purchased in satisfaction of the Purchase Fund. Outstanding amount: U.S.\$47,200,000.

Luxembourg, February 20, 1980.





British Limbless Ex-Service Men's Donations and information;

KCVO, TD., Midland Bank Limited, 60 West Smithfield 1.ondon ECTA 9DX. **British Limbless** Ex-Service Men's Association 'GIVE TO THOSE WHO GAVE-PLEASE'

Major The Earl of Ancaster

### WE, THE LIMBLESS. LOOK TO YOU

THE FISCAL AGENT KREDIETBANK S.A.

Luxembourgeoise

We come from both world wars. We come from Kenya, Malayas Aden. Cyprus ... and from Ulster. From keeping the peace no less than from war we limbless look to you for help. And you can help, by helping our Association, BLESMA (the

Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in

peace and dignity.
Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will holds 90 per cent of the Que

are expected early in 1981, Paringa's interest in this

the company protection against the different cycles of the metal

Paringa also has diamond

of the disclosure of the Hampton

THE MAJOR copper producer

in the Philippines, Atlas Con-solidated Mining and Develop-

ment realised a net profit of Pesos 307.7m (£18.4m) in 1979, up 480 per cent from the Pesos

52.8m earned in 1978. Mr. Jose Soriano, chairman

of Atlas, said that the improve-

ment in earnings was due mainly to higher copper prices.

He added that the increase was attained despite higher

operating costs and lower copper

production, reports our Manila

Copper production in 1979 amounted to 276,144,000 pounds compared with 283,855,666 pounds produced in 1978.

Net sales revenue during the

year amounted to Pesos 1,700m as against Pesos 1,090m. Earnings per share were Pesos

3.68 for 1979 against Pesos 0.63 in 1978.

pines from where the first gold

pour was made last January.

Annual production from the Masbate mine is put at 90.000 ounces of gold and 88,000m ounces of silver.

in brief

A significant event in the

**Profits surge** 

at Atlas

correspondent

### MINING NEWS Ashton venturers plan Argyle pilot plant

A pilot processing plant is to he installed at the Argyle alluvial diamond deposit in the Kimberleys region of Western Australia. Sir Charles Court, the state premier, announced yesterday. Argyle, which was discovered last year, is being investigated by the Ashton joint ventures, led by Conzine Hiotinto of Australia, concurrently with an examination of the nearby Ellendale diamond deposit.

Hook makes its appearance. The investigated in the international companies which operate in more than 80 countries. It is published by the Ashton joint ventures, led by Conzine Hiotinto of Australia, concurrently with an examination of the nearby Ellendale diamond deposit.

In an announcement presumably timed to extract advantage before the state election on Saturday. Sir Charles said the plant could provide the basis for commercial development of the deposits. It is not, however, an unpilot plants for commercial use. The state Government had al-ready held discussions with the Ashton joint venturers about the requirements for diamond min-ing, Sir Charles said. Such discussions, a normal part of liaison between a mining group and the local authorities, have in fact been going on for some months.

The joint venturers will in-corporate an operating company in Western Australia, Sir Charles said. This would be normal prac-

Echoing the quarterly reports issued by CRA about exploration progress and the results of bulk sampling. Sir Charles noted that the definition of the Ellendale deposit was at an advanged stage. Indeed, there has been a pilot plant working at the site for about a year.

Prospects for Ellendale appeared good, Sir Charles said, referring to the high quality and high ratio of gem quality dis-monds obtained in bulk sampling. Reports from CRA have shown the ratio of gem- to industrial stones to be very high at 60 to

The general tenor of Sir Charles's comments was consistent with the market optimism which has been felt about Ellen-dale and Argyle for some time. but the fresh news of the Argyle pilot plant was not striking enough to give more than a gentle push to share prices.

Ashion Mining, with a 24.2 per cent stake, were 6p higher at 170p. Northern Mining, with per cent, were unchanged at 144p. CRA, with a 56.8 per cent bolding, were 6p higher at 328p. But Tanks Consolidated, whose Tanaust unit holds 9.1 per cent.

#### **Teutonic Bore** gets official approvals

GOVERNMENT approvals have been received for the go-shead of the Teutonic Bore copper-zincsilver mine in Western Australia. As reported here in July last year the 60-40 partners, Selection Trust and MIM Holdings, are aiming for trust production from the proposed AS38m (£18.2m) mine by mist 1921 by mid-1981.

It will be a relatively small, but good grade, proposition. Pro-duction will run at about 300,000 tonnes of ore a year over same seven years with initial open-pit mining being followed by under-

9.5 per cent zinc and 150 grammes per tonne silver. The contract for overburden

stripping and open-pit mining has been awarded to Leighton Contractors and, based on present reserves of open-pit ore, has a term of approximately 51 years.
Selection Trust's holding of 60 per cent in Teutonic Bore is now part of the assets of Seltrust Holdings, the Australian offshoot which is 79 per cent-owned by Selection Trust.

#### Hampton takes Paringa stake HAMPTON GOLD MINING was the start-up of its Masbate

Areas of London is to buy a sold mine in Central Philip-14.9 per cent stake in Paringa Mining and Exploration, the Melbourne company which holds a 10 per cent interest in the developing Que River zinc-leadcopper-gold-silver deposit in Tasmania.

The price of £1.04m is being Tanaust unit holds 9.1 per cent. satisfied by the issue of 372.250 shares, worth a total of £1.19m at yesterday's closing price of at the rate of South Althan Rand 320p, to Aberfoyle which is selling part of its 25 per cent stake in Paringa.

Once again, the Financial Aberfoyle is a subsidiary of Times Mining International Year Cominco, the Canadian group. It 5.84975p (11 cents). satisfied by the issue of 372,250 shares, worth a total of £1.19m

**Increased** loss for Geo. Blair

The directors of George Blair and Co., private engineering and steelfounding concern, report £598.000 turnround to a £377,000 loss for the six months ended September 29, 1979, on turnover of £5.24m, compared with £5.15m. Mr. l. L. Blair, chairman, says there has been some improve-River project, where develop-ment work started last year and from which first ore shipments ment in the third quarter, albeit marginal, but the outlook for the final three months is much project is the main attraction for Hampton, Mr. lan Roberts, the better, "providing there are no further disruptions the loss should be considerably reduced,"

managing director, explained yesterday. Its spread of metals permits Hampton to diversify away from dependence on he states.

The group finished the 1978-79 year with losses of £15,000 com-pared with a record £968,000 nickel royalties from Western Mining Corporation, and gives

profit previously.

The chairman says that a poor first half had been anticipated, but the engineering strike, a strike at a customers' works, and continuing adverse exchange exploration interests through a joint venture in the Northern Territory with Aberfoyle and Ashton Mining. The shares rose 13p to 78p yesterday, in advance rates "all combined to worsen the situation."

The interim dividend is halved to 2.2p (4.4p) net per 25p share, payable on February 25, and will cost £22,000 (£44,000). The chairman says holders should not expect the final payment to be the same as last year's 6.9p.
As at September 29, share-holders' funds totalled £2.3m
(£2.7m at March 31, 1979) and net current assets were £728,000

#### Westminster **Property** revaluation

A REVALUATION of the investment properties held by Westminster Property Group at Sep-tember 30, 1979, has shown a surplus over book of some £1.65m which has been transferred to capital reserve.

Fixed assets and properties now stand at £7.67m (£4.44m) including leasehold properties £3.64m (£0.99m).
As reported on February 7,

the group recovered from a £26.599 loss last year to a pretax surplus of £125,244 in the 12 months to September 30, 1979. In the present economic condi-tions and in order to conserve cash, the directors have decided not to pay a dividend, but they anticipate a resumption of payments for the current year. last distribution was for 1973-74.

Mr. A. P. Ravenhill, chairman warns in his annual report that present high interest rates will teep current year profits lower had been hoped. But he adds that the group's portfolio is sound and its organisation compact. providing a firm base from which to expand at the right

Meeting. Bishopsgate, EC, March 12, at 11.30.

# MARCHWIEL LIMITED

Although the Group achieved a very substantial increase in

tumover to a record level, I regret that the profit before tax has declined from £13.55 million to £12.43 million. Although an exceptionally low tax charge resulted in a substantial increase in earnings per share. The pre-tax figures are not strictly comparable as we have changed our rates of depreciation to comply with the new accounting rules. Without this, our profit for the year would have been some £2.4 million lower than last year at £11.13 million, i.e. slightly above the figure I estimated in my Interim Statement. There are a number of reasons for this disappointing result. At home a very poor and prolonged winter undoubtedly cost the Group a great deal of money and losses unfortunately continued on the large civil engineering contracts to which I referred last year. Overseas, outside Southern Africa and Portugal, our operations did not

On a number of public sector contracts there are significant sums of money outstanding which we have every expectation of recovering. Unfortunately, however, this type of contract is taking longer and longer to settle. The financial implications of delay are considerable since payments, when they are made, do not automatically include allowances for intere Undoubtedly Government, which dealt us a severe blow by its cuts in capital spending, has a duty to ensure that contractors are properly and quickly reimbursed for their public

At the year end shareholders funds stood at £58.5 million compared with £46.4 million last year and general liquid resources and short term investments remained at a high level. We are continually investigating opportunities for investing a substantial part of these in new activities which will expand the Group. During the year we were frustrated at being unable to bring one or two promising apportunities to fruition. Nevertheless our activities outside heavy construction continue to make an increasingly significant contribution to profits. At the year end Mr. M. S. McVey, who had 40 years continuous service with the Group, retired from the Board. I am sure all shareholders will join me in thanking him for all he has done, I should also like to offer my sincere thanks to our staff and work force who have once again performed outstandingly well in very difficult circumstances.

Sir Alfred McAlpine & Son (Northern) Limited Very bad weather during the winter, which continued until the end of May, severely disrupted many contracts, but building work is currently proceeding at a satisfactory rate. General industrial building remains promising and the heavy civil engineering at the Dinorwic Power Station is going well. Despite the cut back in roadwork spending, we are at present actively engaged on seven motorway contracts and these will continue throughout the year. Whilst we are satisfied with the current work load, the availability of new work gives cause for concern, particularly in the roadwork and general civil engineering sections. Contractual recompanse in respect of losses on completed contracts is being energetically pursued and substantial payments are eventually anticipated.

Sir Alfred McAlpine & Son (Southern) Limited This company's turnover increased substantially, but profit margins declined due to severe losses in the civil engineering and housing sectors. The outstanding workload is reasonably satisfactory and evenly distributed between civil engineering and building, although public sector housing has declined. Detailed attention is being given to the settlement of our claims on the loss making public sector contracts.

International Whilst there has been a small increase in the contracting turnover of Marchwiel Holding AG and its subsidiaries, the level is still insufficient to offset the very considerable expense involved in marketing a substantial overseas business. The Group's main activities continue to be centred on the Sudan

where unfortunately significant losses are being incurred on

on newly awarded work on the Kenana project, and our

one of the contracts. During the year good progress was made

involvement with this major scheme is now drawing to an end. In Dubai, the Satwa Apartment Block for His Highness Sheikh Rashid bin Saced At Maktoum, the Ruler, has been completed, but at present it is not proving possible to find further work at satisfactory margins. In general, the overseas payment position is now far better.

Our domestic order book is not as strong as last year, but it is not unsatisfactory in the circumstances. The position in Portugal and South Africa is good. However, we are very short offorward orders elsewhere abroad. Frankly there are now too many contractors looking for the available work at home and overseas and thus difficulties lie ahead for those unable to adapt. Also a number of large contractors from countries outside the EEC seem prepared to work abroad at prices which would involve western engineering contractors in severa losses. In the short term our own progress will depend on how successfully we can expand our operations into activities which are not dependent on traditional heavy civil engineering and building construction.

Also important of course, is the speed with which we can persuade our clients in the public sector to reimburse us on the completed but as yet unsettled contracts. We are most fortunate in having the management, work force and financial strength to adapt and weather the current

problems, and I have no doubt that we will be as well placed as

any of our competitors to take advantage of the situation when

the present worldwide recession eases.

A. J. McAlpine, Chairman.

#### **GROUP PROFIT** for the year ended 31st October, 1979 Turnover United Kingdom 162,451 187,544 Profit before tex 13.595 United Kingdom (Note 1) 12,090 (41) 13,554 7,924 12,426 1,538 Taxation (Note 2) 6,530 2,759 Profit before extraordinary items 10,788 Deduct extraordinary items 2,115 3,767 1,792 Profit attributable to shareholders 2,389 Dividends 1.975 5,148 Undistributed profit 31.6p 19.3p Earnings per share after taxation Dividends per share

1. The Group has changed its depreciation policy to comply with SSAP 12. As a result the depreciation charge for the year has been reduced by

2. The taxation charge for the year has been affected by: (i) Stock appreciation relief for 1973 and 1974 amor £3,3 million has now been released as a result of the 1979 finance Act.

(ii) It is estimated that capital allowances for the year amounting to £1,8 million are not required and have therefore not been provided. (iii) Profits in certain overseas subsidiaries coffered tax at a low overall rate due to losses brought forward from previous years. (iv) No tax relief is available for losses incurred by certain other

3. A valuation of the Group's properties in the United Kingdom at 31st October, 1979 revealed a net surplus of £5.272 million. To comply with SSAP 6 individual deficits amounting to £518,000 have been charged to extraordinary iteros while surpluses totalling £5.78 million have been credited directly to reserves.

DIRECTORS

CHARLES M. BLISS

STANLEY G, HARRIS, JR,

Marshall Field & Company

Chairman of the Board

ANGELO R. ARENA

JOHN W. BAIRD

President and Chief Executive Officer

### The Sir Alfred McAlpine Group

#### APPOINTMENTS.

### Clive de Paula to be Tecalemit chairman

chairman of TECALEMIT on recently. April 1, succeeding Mr. Nigel J. Bennett, who is retiring. Mr. de Paula, who has been a ASSURANCE COMPANY. Mr. director of Tecalemit since 1972 John Cowan has been promoted and deputy chairman since 1978, to agency manager with respon-is the managing director of the sibility for sales and marketing Agricultural Mortgage Corpora in the UK and the Republic of tion. Mr. Bennett will remain Ireland.

At the CANADA LIFE ASSURANCE COMPANY Mr.

which ANZ acquired executive director; and Mr. Bob Couchman is to be appointed Hankes - Drielsma, director.

Mr. Ray Simpson has been appointed a director of AUGHTON AUTOMATION. director He remains as a director of Aughton Instruments and is now managing the company's operations in Peterlee.

managing director of Storeys, with effect from March 1. Mr.

On March 1 Mr. J. S. O'Neill will be appointed marketing export finance. He was for two director. TRANSFER PRINT years seconded to the UK Gov-PRODUCTS, and on March 17 ernment's ECGD as an under-Mr. N. C. Holmes (previously divisional marketing manager, Arthur Sanderson and Sons)
will be appointed marketing
director, CONSUMER PRODUCTS—Turner and Newall

The following have been elected to the executive committee of the ISSUING HOUSES mittee of the ISSUING HOUSES ASSOCIATION for the current year: Mr. G. G. Williams (J. Henry Schroder Wagg and Co.), chairman; Mr. T. J. Manners (Lazards Brothers and Co.), deputy chairman; Mr. R. D. Broadley (Baring Brothers and Co.), Mr. R. Brother (Singer Co.); Mr. B. H. Buckley (Singer and Friedlander); Mr. D. Bucks (Hill Samuel and Co.); Mr. J. D. Crosland (Robert Fleming and Co.); Mr. J. N. Fuller. Shapeott (Minster Trust); Mr. J. M. F. Padovan (County Bank); Mr. C. H. Sporborg (Hambros Bank); and Mr. M. R. Valentine (S. G. Warburg and Co., and incorporating Seligman Co., and incorporating Seligman

Mr. G. R. Capel-Cure has been appointed to the new position of deputy chairman of HOGG ROBINSON OVERSEAS, part of the Hogg Robinson Group. He was previously a director.

Dr. Peter J. Reed has joined ELECTROPLAN as commercial

ENGINEERING AND GENERAL EQUIPMENT has acquired the business of Oil sequired the busiless of On Separators International, which has become a subsidiary of E. and G., whose chairman, Dr. H. Peter Jost, and managing director, Mr. J. G. Merrett, have been appointed directors of

A. MONK AND COM- company. PANY. civil engineering con-tractors, the positions of chair-

associate managing director. Mr. R. A. Hollingsworth will be based at the Stamford office. Mr. E. J. Shields is to be appointed to the board with repsonsibility for the north-east area. The changes take effect from

on the board of Tecalemit as a non-executive director.

At SHEARSON LOEB RHOADES INTERNATIONAL, Mr. E. H. Burgess has been appointed a director of ANZ BANKING GROUP He is a executive officer; Mr. James B. Adelaide and its subsidiary, Robert P. Gullett, executive director of Austra-director of Austra-director of Austra-director of Storeys, managing director. Mr. Robert G. Barrett, managing director of Storeys, managing dire Mr. V. A. Cheeseman, managing director of OSRAM-GEC, retires on April 5 after 11 years

man until his retirement, when Mr. Bound will succeed him.

BANK OF AMERICA NT AND SA, London branch, has appointed Mr. Michael Hall to be vice president, head of

> Dr. Tony O'Reilly, president of H. J. Heinz, has been elected chairman of INDEPENDENT NEWSPAPERS. The former chairman, Mr. Rodney Murphy, died on February 1.

Mr. P. H. Bentley has joined BRADSTOCK BLUNT AND CRAWLEY as a director.

The Lord Chancellor has appointed Sir Geoffrey Briggs to be the president of the PENSIONS APPEAL TRIBUNALS FOR ENGLAND AND HAVES for March in WALES from March 1 in succession to Sir Alastair Forbes, who is vacating the presidency after serving for six

Mr. John Anthony Stubbs has been appointed regional director for two companies in the Midlands-based Clarke Group-CLARKE HOMES and CLARKE HOMES (MIDLANDS).

Mr. A. G. Horsnail and Mr. R. E. Jeffries will be joining NORTHCOTE AND COMPANY stockbrokers, on February 25.

Miss K. H. Parkes has been appointed secretary of ABOYNE CLYDE RUBBER ESTATES OF CEYLON, in succession to Mr. F. W. Knight, who died in

Mr. G. S. Stone has resigned from the chairmanship and Board of the ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY, and its subsidiaries. Viscount Montgomery of Alamein has been experiented to the Board and to appointed to the Board and to



Consolidated Statement of Condition	[]
	ecember 31, 1979
Cash and Due from Banks	\$1,334,661,403
Interest-Bearing Deposits at Banks	446,479,978
Investment Securities:	
U.S. Treasury Securities	489,103,404
State and Municipal Securities	
Other Securities	
Total Investment Securities	
Trading Account Securities	
Federal Funds Sold and Securities Purchased	
under Agreement to Resell	307,691,195
Loans, Net of Unearned income	3,241,836,678
Allowance for Possible Loan Losses	
Direct Lease Financing	
Bank Premises and Equipment	
Customers' Liability on Acceptances	
Other Assets	
Total Assets	\$7,033,932,233
LIABILITIES	e1 001 001 000
Demand Deposits	
Covings Deposite and Cartificates	222 NG2 572

Demand Deposits	31,681,681,882
Savings Deposits and Certificates	833,068,573
Other Time Deposits	
Deposits in Foreign Offices	1,180,183,138
Total Deposits	4,929,378,046
Federal Funds Purchased and Other Short-	
Term Borrowings	1,266,547,261
Acceptances Outstanding	265,324,902
Accrued Interest, Taxes and Other Expenses	103,499,990
Other Liabilities	
Total Liabilities	6,695,598,140
STOCKHOLDER'S EQUITY	
Capital Stock (\$16 Par Value) Authorized, and	
Outstanding 3,137,815 Shares	50,205,040
Surplus	155,439,760
Surplus Arising from Assumption of Convertible	100,100,100
Capital Notes by Parent Company	2.540,100
Ophilia lange by a mour company states as a second	2,010,100

President Baird & Warner, Inc. JAMES W. BUTTON Retired Senior Executive Vice President-Merchandising Sears, Roebuck and Co. O. C. DAVIS Chairman of the Board Peoples Energy Corporation KENTW. DUNCAN SAMUEL S. GREELEY Masonile Corporation **HUNTINGTON HARRIS** Trustee Estate of Norman W. Harris DONALD P. KELLY President. Chief Executive Officer Esmark, Inc. JOSEPH B. LANTERMAN Former Chairman AMSTED Industries Incorporated CHARLES MARSHALL President. Chief Executive Officer
Illinois Bell Telephone Company ARCHIE R. McCARDELL Chairman of the Board and International Harvester Company ARTHUR C. NIELSEN, JR. A. C. Nielsen Company FRANK C, OSMENT Executive Vice President Standard Oil Company (Indiana) MARY PETRIE The University of Chicago THEODORE H. ROBERTS
Executive Vice President JOHN J. SCHMIDT Sante Fe Industries, Inc. DANIEL C. SEARLE Chairman of the Board G. D. Searle & Co. JOHN W. SIMMONS Chairman, President and Chief Executive Officer Morton-Norwich Products, Inc.

B. KENNETH WEST

Executive Vice President

Chairman and Chlef Executive Officer McGraw-Edison Company

EDWARD J. WILLIAMS

As of December 31, 1979, standby letters of credit amounted to \$241,454,012.

Harris Trust and Savings Bank Wholly owned subsidiary of HARRIS BANKCORP, Inc. MAIN BANKING PREMISES: 111 West Monroe Street, Chicago, Illinois 60603

LONDON BRANCH: 48/54 Moorgate, London EC2R 6EU, England James L. Roberts, Vice President and General Manager

Wholly owned subsidiaries of HARRIS TRUST AND SAVINGS BANK

SINGAPORE BRANCH (Open April, 1980): 2505 OCBC Centre, Singapore 0104 J, Donald Higgins, General Manager Telephone 915-722; Telex RS 21164 (Administration), Telephone 01-628-5261; Telex 884932 INTERNATIONAL OFFICES: Mexico City; Nassau; Paris; São Paulo; Tokyo RS 33895 (Foreign Exchange)

organized as N. W. Harris & Co., 1882 • Member Federal Deposit Insurance Corporation, Federal Reserve System Harris Bank International Corporation: 345 Park Avenue, New York, N.Y. 10022 Harriscorp Leasing, Inc.: 111 West Monroe Street, Chicago, Illinois 60603

PANY. civil engineering contractors, the positions of chairman and managing director are director of Fenchurch Life and to be separated, to enable the chairman to concentrate on appointed to the Board of Fenchurch Insurance Holdings. Last year we helped over 58,000 children at risk. With your donation we could protect even more. National Society for the Prevention of Cruelly to Children,

HELP!

Sidermex

expands

Sicartsa

steel mill

THE Mexican Government

has formally announced that

the second expansion stage of the Sicartsa steel mill at Lizaro Cardenas will start this

year. Installed capacity of raw steel will be raised from

1.3m tonnes to 3.3m tonnes

and 1.5m tonnes of finished

plate will also be produced.

estimated at 48bn pesos

However, while the long-expected decision has finally

been made, no official

announcement has yet been

made on what process will be

used or which companies and countries will help in the

Sidermex, the holding com-

pany for the State steel sector,

has to choose between the traditional blast furnace system, which is used at

Sicartsa, and the direct reduc-

Officials in the steel

industry say that the direct

method will most probably be

chosen because natural gas, the raw material for this pro-

cess, is already being laid into

Lazaro Cardenas while Hylsa.

the private Mexican steel mill.

The reason for the delay is

that Sidermex has not decided whether to use this method or

Privately, it is said that the

Hyl method will be used, as it is on the doorstep, but no defi-nitive agreement has been

reached because Sidermex is

working out the best terms with both sides.

also called in the Sicartsa

Stage Two plan for some revisions, which has caused annoyance in the steel

Uniess a start is made soon,

Stage Two will not be finished

by the end of 1982, which is

the ideal date for the Government. President Lopez

Portillo's term of office ends then and it is his wish that

the second stage be the crown-

ing point of his administra-

Sidermex said last year that

industry.

The Planning Ministry has

the German Midrex process.

use the HYL method.

investment

By William Chislett in Mexico City

Initia]

(\$2.1bn).

construction.

**EUROBONDS** 

### Dollar issues fall on prime rate rise

EURODOLLAR bond market was thrown into con- had not handled much business fusion again yesterday as the yesterday, others, among which its investors are worse than at U.S. prime rate climbed by a are some of the best known U.S. any time during the past ten point to a record 15% per cent names, said they had not been years. and Eurodollar interest rates on so busy in weeks. Despite the three and six-month deposits confusion in the market, dealers

declined by as much as three prices widening. points at the longer end of the little as one point at the short end. Among the worst hit were issues arranged during the last nine to 12 months where the underwriters are believed to have large blocks of paper un-

Although most bond houses argued that the price falls were essentially the result of professionals marking prices down, one major bond trader said he

Sharp rise in

st recent quarter.

\$96.8m to \$164.5m.

compare with \$207.4m.

For its second fiscal quarter, ended January 31, Bache has

pushed earnings from \$1.1m to

\$12m, or from 13 cents a share

to \$1.40. Revenue rose from

The first half now shows a

net earnings total of \$15.4m or

\$1.80 against \$6.6m or 82 cents

a share. Revenues of \$291.1m

Mr. Harry A. Jacobs Jr. chairman and chief executive, and Mr. H. Virgil Sherrill,

double between now and 1985.

"Despite this, however, our in-

creases in other product areas

will mean that the securities

account for less than 40 per

cent or our total revenue five

years from now-revenue which

Libra Bank Limited

International Group

Intermion-Banque

Security Pacific Bank

Banco de la Nacion Argentina

The Chase Manhattan Bank N.A.

The Hokkaido Takushoku Bank, Ltd.

New York Branch

American Express Bank

Banco de la Nacion Argentina

Chemical Bank International Group

Banco Latinoamericano de Exportaciones, S.A.

American Express International Banking Corporation

could well approach \$1bn."

will

commission business

second half by

climbed by 1 to 1513 per cent. said they saw no signs of the a guideline to where interest Prices of straight dollar bonds "spreads" quoted on bond rates are heading. Until they

maturity spectrum, and by as falls of up to ‡ of a point what the average yield availyesterday. Among the worse able on straight dollar bonds hit were those issues where the was. Yesterday it would appear coupons have been recently to have overshot the 14 per readjusted.

> Most dealers reckoned that straight dollar bonds yesterday only because the dollar was were more grievous than those strong. Deutsche-Mark foreign suffered in the wake of the bonds posted losses of up to } Volcker credit squeeze last of a point while the Swiss franc trading days are taken into had been rising steadily since

While some dealers said they account, the capital losses early February but yesterday ad not handled much business sustained by the market and they fell back by about 1 point.

Dealers said last night they were still vainly searching for had some idea of what the Floating rate notes posted answer was, it mattered little cent mark.

The hard currency sectors of

A SwFr 30m five-year convertible bond has meanwhile en completed for Nitto Electric Industries, which carries a coupon of 5% per cent through Swiss Bank Corporation. The next public issues in this sector are expected shortly for the World Bank and Oesterreichische Kontrollbank through UBS and SBC respectively.

The next French franc Eurobond is expected to be for the the price falls recorded on the bond market suffered, if European Coal and Steel Community, through Credit Lyon nais, later this month. This will be the first French franc demoninated issue lead by October. Certainly if the falls market saw a turn around in Credit Lyonnais since this recorded during the past four its fortunes yesterday Prices sector of the market reopened

### U.S. Steel sells cement division

BY STEWART FLEMING IN NEW YORK

Bache group
BACHE GROUP, the securities THE LARGEST U.S. steel of 13,000 jobs. company, United States The company company, United States Steel, is to sell its Atlas Cement trading house in which the has outstripped the successes of its rivals in trading during the

The move comes in the wake sales of \$12.9bn. around \$150m.
of U.S. Steel's announcement The sale of the cement Some analysts are projecting last month of a \$561.7m loss in division seems to reflect the that the division, which sold of 13 induction units at the cost tions. Earlier it had announced \$150m

Texas oil milloinaire, Mr. Steel is to sell its Atlas Cement loss of \$500.6m perore tax was disclosing Nelson Bunker Hunt and his brother recently took a stake, group, Heidelberger Zement, for recorded by a U.S. company. For any earnings figures for the the year as a whole U.S. Steel is not disclosing division, which has total sales from continuing operations of

the closing of three plants in The company's fourth quarter the cement division. These, how loss of \$808.6m before tax was ever, are included in the sale. reported a net loss of \$293m on from continuing operations of

the final quarter of 1979 as a re-sult of its decision to close parts shedding less profitable opera-could be worth more than

### Strong upturn at Reed Paper

BY ROBERT GIBBENS IN MONTREAL

president of the group, said that "Bache has been predicting since October 1978 that the investor was ready to come back C\$1.54 a share for the full year to the market and that volume 1979 against C\$4.6m or nine would be at record levels within cents a year earlier on sales of C\$196m against C\$151m. These Mr. Jacobs added that Bache's figures exclude extraordinary revenue from the projected surge in the equities market place should approximately items in both years.

year earlier.

This announcement appears as a matter of record only

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WORLD BANK CO-FINANCING

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The Daiwa Bank, Limited

National Bank of North America

Co-Managed By

sidiary of Reed International, mill at Dryden, Ontario, to the 14 areas in energy services," he earned C\$33m (U.S.\$28.44m) or Canadian Pacific Group. Its said. other operations including the Quebec City Newsprint Mill have been profitable.

Reed Paper also said it will pay a dividend of C\$2.75 a share on its Class A and B preferred Fourth quarter profit was shares, which includes all C\$13.8m or 67 cents a share arrears to and including April against C\$6.3m or 43 cents a 1980. The dividend is payable on April 1.

The company took advantage CIL, the main Canadian arm of of strong markets during the ICI, is considering investing in year, and says its financial the energy field in Western recovery is now completed. It canada, Mr. William Mandry, is confident that future perpresident, indicated the new formance can sustain regular efforts would concentrate on the real. dividends. The company last oil and gas service and supply company.

REED PAPER, Canadian sub- autumn sold its troubled pulp field. "We have identified 13 or

"When we find some we can be really comfortable with then we'll move ahead," he said Participation is likely to begin with "the chemical end involving supplies needed for tar sands extraction and advanced recovery methods used in conventional oil fields."

Mr. Mandry also indicated that CIL's move would be through acquisition. should see some developments

January 1980

Crédit Agricole

Interunion-Banque

Banco Industrial de Venezuela C.A.

there was an urgent need to triple steel capacity by 1990 in 1980," he said. in order to meet the sharply increasing demands of the fast The company recently sold its expanding oil-rich economy and to reduce steel imports. interest in a Western Canada estate At the same time Sr Jorge

Andres de Oteyza, the Minister, Industry announced that this year Sicartsa will make its first profit in its three-year He estimated it at about

100m pesos (\$4.4m). Sicartsa gued with labour and technical problems, but is now approaching its capacity.

#### Mexican banks in competition for deposits

By Our Mexico City Correspondent

PRIVATE MEXICAN banks are entering into fierce com-petition to attract long-term deposits as a result of the unprecedented step by the Banco de Mexico which allows the banks to set their own rates for deposits of over

two years.
Previously, the Central
Bank set all rates. Last week it revised them upwards for deposits of a year and 18 months and allowed the banks themselves to set the two-year

The old two-year rate, before the change, was 17 per cent net. Banca Serfin has now announced a rate of 21.25 per cent. Net Banamex, 21.5 per cent and Bancomer and Confida 23 per cent.
The banks can revise their two-year rates every week.

Many private companies are also experiencing severe credit problems and it is hoped that the increased long-term deposit rates will lead to greater saving by the public, and hence greater availability of credit at the banks.

In recent weeks, many com-panies, unable to obtain financing in Mexico, have been seeking loans abroad.

#### Signal group to acquire Ampex

BEVERLY HILLS-Signal Companies, the heavy-duty truck and aerospace compo-neuts group, and Ampex Corporation jointly announced that they had agreed in principle for Signal to buy Ampex. The terms call for the Ampex common share for each Ampex common share for each Ampex common share. This values Ampex at around \$495m.

Ampex, which makes audio-visual systems and computerrelated products, has about 11m shares outstanding and an additional 1.7m shares reserved for issue on exercise of employee stock options and conversion of convertible

debentures.

Signal said that the acquisition, which was subject to approval by the companies' Boards and shareholders and he completed in mid-1980. Reuter

**BRAZILIAN DEVALUATION** 

### Fiat investment his

BY DIANA SMITH IN BRASILIA

THE DEVALUATION of the cent in 1979, including a once strongly.

The foundry's \$150m invest-(80 per cent) and the remainder by the Government of Minas Gerais state, which throughout the 1970s, assiduously wooed foreign enterprises to make active contributions to the ambitious industrial

Plans for the car assembly plant and foundry were designed in 1973—before the first world oil crisis, when the young Brazilian car industry was heading for a boom.

The Fiat car plant was designed for annual capacity of 200,000 vehicles, and the FMB for 70,000 tonnes a year of nodular and grey iron castings. But successive oil crises and their effects on the Brazilian economy and vehicle market meant that the car plant had an output of just over 110,000 vehicles in 1979, while the foundry ran at 50 per cent of capacity, 35,000 tonnes of castings. FMB's 1979 gross sales of Cr 1.2bn (\$27m) compared favourably with 1978 sales of Cr 720m, but it had nothing to cheer about. It bore losses of Cr 153m in 1977, Cr 431m in 1978, and about Cr 700m in 1979. Hammered by devaluations and their effect on loan servicing, and many technical problems, Teksid took urgent ction late last year and sent in a new FMB chief executive and troubleshooter, Sig. Franco Benoffi.

Since he took over FMB, Sig. machine. Labour cos Brazilian cruzeiro by 66 per Benoff has set up structures for for 40 per cent of quality control, an activity and with performance off 30 per cent adjustment in almost unknown in Brazil, cost haphazard. Sig. Be December, is a financial blow control and data compilation hedged his bets ever to any foreign company in Brazil (equal mysteries to Brazilian improve daily running operating with sizeable long management), and revised sales He is negotiating operating with sizeable long management), and revised sales term dollar debts. FMB procedures, so as to aim at solid [Funicao Metalurgica do long-term contracts and not, in do long-ferm contracts and not, in Brasil), the foundry unit of his own words, "salesmen Fiat's Teksid division, set up in knocking on innumerable doors Minas Gerais state, largely to to sell one or two castings." His cater to the parent company's task may be uphill. As Sig. 3600m car assembly plant, is Benoffi puts it: "In Brasil, you feeling the pain particularly do not necessarily plan aheadyou invent a new life each day, because each day, the Government was financed by \$120m of ment invents new measures, dollar borrowing. The capital currency regulations, price of \$30m was shared by Teksid structures or systems." currency regulations, price structures or systems."

Fiat's car plant and foundry in Brazil, already operating at half capacity, have been severely hit by the devaluation of the cruzeiro. The company has sent a new chief executive to the foundry in an attempt to make the venture commercially viable

A cost control task force has ceiling adversely affer een set up, helped by comexport plans, uters, to break down every Before Sr. Delfim by the second seco been set up, helped by computers, to break down every item affecting costs: an obvious Planning Minister, se measure for a West European, devaluation ceiling but something of a revolution in Brazil. "How can you know where you are heading," Sig. ment would equal last Benoffi said, "if you have no

idea what your costs are?"

A team of senior Italian technicians-"people with technical U.S. or, through Teksic know-how and mental flexi-belity," Sig. Benoffi says—has better. been brought into introduce Now he is revising l been brought into introduce Now he is revising I quality control, with the blessing of the Brazilian Ministry of going to rise with inflat who knows if it will ke Government. Labour, indeed, has been a major FMR problem. has been a major FMB problem. Government?—my exp The overwhelming majority of be unprofitable," Sig. employees are young about 18, said. Foreign executi half-schooled, and prone to take training at considerable expense to FMB and then drift off to frankly optimistic, Sao Paulo or Rio-or, once they speak out about trained up to a skill, likely to of setting up and run be reluctant to touch a shop in Brazil.

Minas Gerais Govern permission to impor floor workers from middle-aged, skilled skilled hands who ha early. These men, S feels will ensure r continuity and far ordination. "The G knows," Sig. Benoffi s it is in Brazil's interes something like ti foundry running smoo

For 1980, when Si expects Flat's car plan a reasonable share dwindling market, a sa of Cr 3bn has been will cover overhea absorb the cost of sor debt servicing, all be But inventiveness is a for. The Brazilian Go has set a ceiling of 40 on this year's devalu debt servicing will dramatic than in 1979

cruzeiro, Sig. Benoffi that this year's current He set an ambition target for FMB of \$21m sales to clients likt

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondar exists. For further details of these or other bonds see the complete list of Eurobond prices on the second Monday of each month.

Closing prices on Feb.

U.S. DOLLAR.  STRAIGHTS Alcoa of Australia 10 85 Alex Howden XW 9½ 91 Aquitaine Can. 11½ 85 Australian Res. 9½ 84 Avco 0/S Csp. 10½ 87 Beneficial Fin. 9½ 87 CECA Grad. Rete 12 86 CECA 11½ 90 Canadian Pacific 9½ 85 Carter Hewley 9½ 86 Comsico Inv. E. 10½ 91 Connico Inv. E. 10½ 91 Continental Grp. 9½ 86 Dominion Bridge 10½ 84 EIB 11½ 92 EIB 10½ 87 EIB 10½ 87	30 30 40 100 50 50 50 50 50	Change on Bid Offer day week Yield 75': 80': -0': -2 13,50 773 75 +0': 0 14,24 189': 90': -1': -2': 14,24 85': 85': -1': -2': 14,23 75 75: -1 -9': 16,13 80 80': -1': -2': 14,19 81': 91': -0': -1': 13,95 87': 88 -0': -1': 13,95 87': 88 -0': -1': -2': 14,73 78': 80': -1': -2': 14,73 78': 80': -1': -2': 14,73 78': 80': -1': -2': 14,73 86 87: -0': -0': 14,72 86 87: -0': -0': 14,72 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73 86 88': -0': -0': 14,73
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Manitobe 9 89 Michelin 10 94		78 78 -04 -15 13.85
Nat. Des. Telecm, 972 86	125 100	764 764 -24 -34 13.83 824 834 -14 -14 13.69
New Brunswick 9% 94	75 75	735 735 -15 -2 14.23
Newfoundland 10 94	-50	733, 74 -03 -25 14.45
Norges Komm, 97, 99	100	175-2 77 -1 -1 13.76
Norway 91, 84 Nova Scotia Pwr. 91, 89	150 50	864 864 -14 -24 13.88
Occidental Fin. 104 84	50	78½ 79 ±0% -1 13,96 185½ 88 -2 -2% 14,94
Orient Lessing 9½ 86	25	811 82 -24 -3 13.98
Pennwalt O/S F. SP. 84	25	831, 837, -11, -21, 15,18
Papaico Cap. 94 84 Quebec Hydro 10 98	100 · 75	85 .8612 -114 -114 13.93
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Statoil 95 89	100	774 774 -24 -24 14.01
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Sweden 91, 88 Sweden 94, 84	200	842 852 -03 -23 13.48
Unilever NV-91, 87:	100 100 .	86 86 - 15 - 3 14.03 787, 794 - 02 - 13 13.91
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BMW Overseas 4% 91	700	191	914	-25	-14	5.27
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Canada 31 89	300	89	894		- 14	5:15
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Malaysia 5 89	80	897			+04	
Nippon Tel. & T. 43, 88	100	92%	93%	-14	-12	5.19
Nordic Benk 5 89	45	944	35-	-75	+0%	5.68
Norges Komm. 47, 91	100	887-	<b>29</b> -	-0-	-01	5.72
OKB 34, 91	100	835	837	-0%	-0%	5.77
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Oslo, City of 44 91	100	86°2	87	-05-	/3	4 QQ
Shikoku El, Pwr. 44,88	100	34%	94%	-04	+0	5.50
Spain 4 91,	100	86	865	+0%	-0%	6.77
Steweng 4½ 91	50	190%	91	-2-	-25	5.87
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World Bank 41, 89	700	96%	974.	-13	-11	5.03
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] Flatend 6.8 88	10	837	841, -11	-2	9.4
Average orige chan	085 C	In day	-OL on v	wash -	-13.

OTHER STRAIGHTS (25 ced)
Avco Fin. 10's 86 CS ... 25
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Cr. Foncier 10's 84 CS ... 30
Ex. Dev. Cph. 10 84 CS ... 50
Fat. Can. Inv. 10 84 CS ... 50
Hudson Bay 10's 89 CS ... 50
Quebec 10's 86 CS .... 50
R. 8k. Canada 10 36 CS ... 50
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R. 8k. Canada 10 34 CS ... 40
M. 8k. Dnmk, 9 91 EUA ... 40
SOFTE 8's 88 EUA .... 40
Algemene Bk, 8's 84 FI ... 58
Ned, Gasumie 8's 84 FI ... 58 IBM France 117, 84 FFr.
Ressult 98, 85 FFr.
Saint-Gobsin 92, 86 FFr.
Solvay et Cle 93, 87 FFr.
Otticorp 0/S 137, 90 £...
EIS 112, 91 £...
Finance for Ind. 13 91 £.
Fin. for Ind. 127, 89 £.
Indonesia 83, 91 KD ...
Mitsubishi 72, 84 KD ...
Normes Kom, 72, 89 KD ... Mitsubishi 72,84 KD ... 70
Norges Kom. 74,89 KD 12
Occidental 87,91 KD ... 70
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Eli8 94,88 Luxfr .... 600
Volvo 92,87 Luxfr .... 500
FLOATING RATE
NOTES Supreed

when indicense, company anomics of the company of t

C.yld=The current yield.
Investible Bonds: Denominated in dollars unless was Indicated. Chg. day=Change on day. Che. the first date for conversion into abuses. Chy. p. Neminal uncount of bond per share expressed currency of share at conversion rate fixed at Prems—Percentage premium of the current effective of acquiring shares via the bond over the most i price of the shares.

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Chase Merchant Banking Group Security Pacific Bank Euro-Latinamerican Bank Ltd. (Eula Bank) Provided By The Daissa Bank, Limited National Bank of North America, Nassau Bahamas Branch Banco Latinoamericano de Exportaciones, S.A. (BLADEX) Banco Industrial de Venezuela C.A. nerican Bank Lid. (Eula Bank) American Security Bank International Ltd. Banque Internationale à Lexembourg S.A. First Pennsylvania Overseas Development Company Gleard Bank, Cayman Islands Branch (Cayman) Ltd. The Long-Term Credit Bank of Japan, Limited The National Bank of Washington CREDIT AGRICOLE

# Rising silver costs force change in Agfa finances

MOUNTING FINANCIAL pressures caused chiefly by the rapid rises in silver prices in recent months have forced a financial restructuring of Agfa-Gevaert, the Belgian German

Bayer, the major West ture would be continued.

German chemicals group, which previously owne d50 per cent of Agfa-Geyaert, is bearing the burden of a capital raising the burden of a capital raising exercise which will increase the capital resources of the photo-graphic business, the largest in disappointing for a number of Europe; by DM 200m years. Europe i (\$114.94m).

per cent of the group, increasing its stand to 60 per cent, leaving 40 per cent in the bands of the Belgian company, Gevaert Photo-Producten.

But the profits performance has never equalled the increase in sales as Agia fought for market

The Belgian partner yester-day approved the financing deal but it is stil ito be given the DM 20m compared with DM formal go-ahead of the Bayer supervisory board and the West German Cartel Office.

In the past, Agfa has been run as a bi-national group, with responsibility split between the Belgian and German companies. Bayer said yesterday that despite the change in the ownership interests this

has been hit hard by the rising price of silver, although its financial performance has been

Since the group was created in 1964, sales have risen from As a result of this move, in 1964, sales have risen from Bayer is taking a further 10 DM 1.3bn to almost DM 3.5bn in 1978, and the workforce has increased from 29,600 to 32,300.

> Group profits in 1978 fell to 52m achieved in the previous year. The figures for 1979 are certain to make grim reading

when they are released in

Agfa's export sales have been particularly hard hit by the strength of the Deutsche-Mark and the high labour costs in the Federal Republic.

Last year was always expected to be a difficult one. but the Agra group's calculations were thrown into conthe mounting speculation on the world silver markets. reckoned The company is to be Europe's largest single user of silver.

Each year it uses about 700 tonnes of silver, which in 1978 cost some DM 250m. This year, if present silver prices hold. purchases of the metal are likely to cost as much as DM 1.5bn, costs which were clearly beyond the current financial resources of the group. As a result, the larger parent company. Bayer, has had to step in with DM 200m

### Earnings per share slip at Amro after slow second half

AMSTERDAM - ROTTERDAM outstanding in the year was 14.8 Bank (AMRO), the first Dutch bank to report its 1979 results, vesterday announced a slow down in the rate of growth of both profits and business

Net profit rose by 8 per cent last year to FI 273.5m (\$142m) compared with the 19.2 per cent before rate of growth in 1978.

AMRO proposes paying an unchanged total dividend of Fl 5 per Fl 20 nominal share. The final dividend will be held at F1 2.60 either in cash or as FI 1.35 in cash and FI 0.50 nominal in shares from the share premium reserve.

Revenue increased by 11.1 per cent to FI 2.23bn compared with a 13.1 per cent rise the year AMRO transferred FI 190m to its provision for general risks compared with Fi 155m in 1978.

The slow down in growth came in the second half of the year, AMRO said. While profits rose 15.3 per cent in the first same period of 1978, in the hare premium reserve. second half growth fell back to The average number of shares only 3 per cent.

per cent higher than in 1978. This led to a fall of 3.7 per cent

in net profit per share to FI 10.53 from FI 10.93 he year

### Swedish share tax study

STOCKHOLM-The Swedish examine the possibility of indouble taxation on earnings those for other from shares, ministry said.

Present taxation laws must Government has instructed its be changed if companies are to capital gains committee to have better opportunities to attract risk capital and if the conditions for share investment troducing a system to ease are to be made more equal to the - budget vehicles, it added,

### The Peninsular and Oriental **Steam Navigation Company**

has sold its subsidiary **P&O Oil Corporation** 

Southland Royalty Company

We acted as advisor to The Peninsular and Oriental Steam Navigation Company



Schroder Oil Financing & Investment Company, Inc. 1100 Milam Building, Houston, Texas 77002

September 30, 1978

10,116.1

16,098.6

10,801.7

2,950.0

1,742.0

1,023.0

5,310.6

48,488.6

43,967.7

33,077.8

34.6

33.6

(10.889.9)

(4,520.9)

10.9

**BF** millions

4,540.0

(524<u>,113.1)</u>

16,786.5

16,291.3

### Volksbank non-vote share plan

BY JOHN WICKS IN ZURICH

AN ALTERATION in the Switzerland's fourth largest bank, with a view to broadening its capital base, foresees the creation of participation

Non-voting shares of this become shareholders with kind already form part of the voting rights, Dr. Frey said that equity of Union Bank of Swit- a substantial proportion of the zerland and Swiss Bank Corpor- outstanding 700,000 shares were ation. Swiss Volksbank is a in foreign hands. There are co-operative and has a share therefore already a large scapital of slightly over number of non-voting foreign

The Berne-based bank is keeping all possibilities open" to have been a good rear, an with regard to the use of the unchanged 14 per cent dividend certificates, according to its is recommended for payment on ageneral manager, Dr. Hans capital of SwFr 275.05m and a Frey. He indicated that one half-dividend on SwFr 50m use might be their exchange worth of shares issued last July.

against warrants or convertible Net profits rose by 15.5 per cent

The participation certificates would be available to foreigners. Although only Swiss citizens or foreigners domiciled in Switzerland have hitherto been able to

shareholders. After what the bank considers

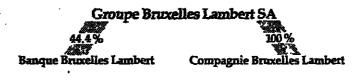
and the balance-sheet total showed an increase of some 17.6 cent to SwFr 15.2bn (\$9.3bn).

Income from foreign exchange and precious metal trading jumped by 22.9 per cent to SwFr 41.3m. Rudolf Bosshard, deputy general manager, said the current complaint of the American Commodity Futures Trading Commission (CFTC) with regard to silver futures contracts involving Swiss Volksbank would in no way lead to a financial risk for the bank.

Volksbank has initiated contacts with the CFTC "in the ing" in this matter.

Excerpts from the Annual Report for the fiscal year from October 1, 1978 to September 30, 1979.

### Groupe Bruxelles Lambert SA



September 30, 1979

10,605.3

22,014.2

11,265.4

3.422.6

2,353.6

1,010.9

1,247.2

3.352.4

55,271.6

(5,392.6)

49,879.0

(11,613.2)

38,265.8

in %

**BF millions** 

(622,942.7)

21,416,3

16,849.5

### Good prospects for Landis

BY OUR ZURICH CORRESPONDENT

ing company Landis and Gyr of factory.

Zug expects results for the Business of most non-Swiss current financial year to be as subsidiaries—only some 45 per good as those for 1978-79. Dr. cent of group output takes

The company recently announced a 22.5 per cent rise in total earnings to SwFr 58.7m (\$36.34m) for the year ended September 30 after turnover had over SwFt 1.03bn (\$638.4m).

expects a slight rise in turnover ing in 1979. Production and in the field of electricity meters marketing are being coand a further improvement in ordinated in remote-control orders and sales for remote technology, where the Zug comcontrol and ripple-control units pany is taking over research accounted for 48 per cent of Co-ordination of export markets group turnover last year. Pros is planned in industrial pects are seen as good for the components.

so-called comfort control. This year, a SWFr SOm investcontrol equipment) field, with a compared with SWFr 61m in
31 per cent share of group sales.

In the industrial equipment ture, which is expected to be
sector which accounts for a covered by cash-flow fivencing.

THE SWISS electrical engineer- components are seen as satis-

been a rise in orders in the first Among these companies is the four months with a generally London-based Landis and Gyr favourable demand for the Ltd. with an assembly plant group's products. likely to show a marked improvement after a drop in 1978-

In Switzerland, the parent gineer in which Landis and Gyr For 1979-80 Landis and Gyr took up a 10 per cent sharehold-Together, these products and development commitments.

sector, which accounts for a covered by cash-flow financing, further 16 per cent of turnover, will particularly concern pro-sales and profits are expected jects in Switzerland but will to fall for telephone equipment, also include rationalisation inwhile prospects-for industrial vestments in the United States.

#### **Operating** profits record by Bergesen

By Fay Gjester in Oslo

SIG BERGESEN, the Norwegian shipping company which lost the oil/ore carrier Berge Vanga in a mystery explosion last October, says 1979 operating profits set a new record, at NKr 385m (\$79m) (before interest and depreciation). This compared with NKr 380m, a

rear earlier. Profitability in the second half of 1979 was, however, hit eptember 30 after turnover had operation with Sprecher and the loss of the Berge Vanga and Schub AG an electrical enterprise in the loss of the Berge Vanga and the fact that a relatively large number of the company's ships had to be docked for repairs or overhauls.

in 1979 were Earnings NKr 100m. Ordinary depreciation amounted to NKr 183m and profit before taxes and allocations to NKr 180m. Three of the company's older ships were sold during the year, with book profit of NKr 19m, which is being written off against the rest of the Bergesen fleet, including ships on order.

At end-1979, the Bergesen fleet comprised 13 large tankers. totalling 3.5 dwt, eight oil/ore carriers totalling 1.2m dwt, three gas tankers of 75,000 cubic metres each, and two newsprint carriers, and a 14,700 dwt transfer ship

In addition, the company has ordered 11 ships of various types, totalling 1.8m tonnes.

#### Ghent plant for Belgian Shell

By Sue Cameron, Chemicals Corresp

BELGIAN SHELL, part of the Shell group of international chemical companies, is planning to build a £3m plant for the production of catalysts at Ghent.

#### Asset breakdown

attributable to minority interests

Combined asset strength

Corporate premises, furniture, equipment

Less: current banking and financial liabilities

attributable to Groupe Bruxelles Lambert SA

Net current banking and financial assets

Companies carried at equity in net assets

Land and real estate developments

Investment portfolio

Cash and equivalents

Less: short-term debt

Less: long-term debt

Capital invested

Other assets

The figures in the tables below are the result of a first attempt to break down assets and results of the group by business segment. They are percentage figures.

	Ass.	ets	Res	ults
	Combined assets	Net assets	Cash- flow	Net income
Banking and leasing	29.8	37.3	63.2	55.9
Broadcasting	1 <b>7.1</b>	24.5	8.2	18.2
Railroad cars and containers Real estate in Belgium	24.7	18.3	22.5	26.5
and the United States	<b>7.</b> 0	7.2	5.7	12.6
Trading Other segments, non-allocatable	. <b>1.</b> 0	0.9	3.0	6.5
liabilities and expenses	20.4	11.8	(2.6)	(19.7)
	100.0	100.0	100.0	100.0

The breakdown of net assets and results attributable to Groupe Bruxelles Lambert SA and to others was as follows:

	Net assets		Cash-flow		Net income	
	GBL	others	GBL	others	GBL	others
Banking and leasing	41.4	58.6	42.5	57.5	39.7	60.3
Broadcasting		50.8			47.4	52.6
Railroad cars and containers		29.3		25.6		30.6
Real estate in Belgium			i		ľ	
and the United States	100.0		100.0		109.0	
Trading	98.4		97.6	2.4	98.4	1.6
Other segments, non-allocatable liabilities and expenses	67.7	32.3	- -	-	_	

Specific liabilities, financial and overhead expenses of Banque Bruxelles Lambert and Compagnie Bruxelles Lambert were allocated to the various business segments. Non-allocatable liabilities, financial and overhead expenses were listed as such and combined with "other segments". As for Groupe Bruxelles Lambert SA, half of these items were included under "banking and leasing", and half under "non-allocatable".

As the "other segments" showed negative results, we have been unable to compute the share attributable to GBL and to others.

These computations will need further refinement in the years ahead. Summarized below is the asset breakdown per country:

West Germany, Switzerland, Austria Other European countries America

Net asset value

30.5

6.1

100.0

(9.8)

(21.0)

69.2

At the end of September 1979, net assets of the group were valued at BF 38,266 million, compared with BF 33,078 million a year earlier. Net assets attributable to our company totalled BF 21,416 million, as against BF 16,786 million at the end of September 1978. Net assets attributable to

others totalled BF 16,849 million, as against 16,291 million. Net assets per share after the appropriation of income and goodwill excluded were BF 5,354, compared with BF 4,197 on September 30, 1978. Net assets per share prior to the appropriation of income were BF 5,479, as against BF 4,309.

Illustrated below is the breakdown of net assets per share, prior to the appropriation of income, by business segment and by country.

By business segment	By country
Banking and leasing BF 1,493 Broadcasting 1,170 Railroad cars and containers 1,255 Real estate in Belgium and the United States 703 Trading 90 Other segments 768	Europe BF 4,941 Belgium 2,195 Luxemburg 882 West Germany Switzerland 1,217 Austria France 289 Other 358 America 421 Africa 117
BF 5,479	BF 5,479

#### Results

The consolidated cash flow of the group aggregated BF 3,953.3 million. The pro forms figure for the previous 12-month period from October 1, 1977 to September 30, 1978 was BF 4,040.3 million. Consolidated net income after BF 2,165.2 million of amortization, depreciation and provisions was BF 1,788.1 million, BF 845.6 million of which was attributable to Groupe Bruxelles Lambert SA.

The Board has recommended a cash dividend of BF 100 after tax, to be paid to the 4 million shares of common stock outstanding.

Copies of the Annual Report are available on request to the Secretary, avenue Marnix 24, 1050 Brussels

Copies of the Annual Reports of Compagnie Bruxelles Lambert and Banque Bruxelles Lambert are available on request to the corporate headquarters of these companies.

### Swiss foreign loan record FOREIGN BORROWINGS of (\$5.24bn) to a new high of

Swiss francs reached a record SwFr 12.14bn (\$7.52bn). Of level of SwFr 27.7bn (\$17.15bn) this total, ever SwFr 9.91bn was

last year according to a report accounted for by financing loans published by the Swiss National and SwFr 2.23bn by export

Bank. This total is higher by credit.

26.5 per cent than the In the medium-term sector,
SwFr 21.89bn (\$13.35bn) re the value of Swiss franc private placements — so-called notes corded in 1978.

In 1979 there was a particuissues—rose from SwFr 10.34bm broduction of catalysis at Ghent. The plant will have a capacity volume of Swiss franc bank (\$6.4hm), or almost the record of 4,000 tonnes a year and is loans, which jumped over the figure of SwFr 10.48bm booked scheduled to come on stream year from SwFr 8.48bm for 1976;

Migros consolidates top trading status

BY OUR ZURICH CORRESPONDENT GROUP TURNOVER of the of the 12 regional retail co-GROUP TURNOVER of the of the 12 regional retain to Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operatives went up by 2.7 per foreign subsidiaries is the Swiss Migros co-operative rose operative rose ope

Within the group total, sales cent to SwFr 399.4m.

SwFr 7.71bn (\$4.77bn), with Much sharper turnover increases

Among other Swiss and SwFr 7.71bn (\$4.77bn), with Much sharper turnover increases annual cash-flow down slightly were recorded by the travel to SwFr 356m (\$220m). Migros agency chain, Hotelplan, whose thus consolidated its position as sales rose 18.2 per cent to Switzerland's top trading comestation subsidiary, Migrol, which pany and biggest single station subsidiary, Migrol, which building of a London unit at increased furnover by 28.3 per importer.

### Groupe Lambert plans to limit growth

BARON LEON LAMBERT, the The profits performance of operations from the second 51-year-old head of Belgium's what has become a major Belgium in just a few years is Brixelles Lambert financial, gian financial institution has no Belgium in just a few years is banking and industrial holdings marked impact on shareholders, now deliberately to be slowed banking and industrial holdings marked impact on shareholders. The group's dividend is being the management is opting for a group, will tell today's annual group, will tell today's annual The group's dividend is being meeting that the consolidated proposed at BFr 100 on the 4m balance sheet of Groupe shares outstanding compared Bruxelles Lambert grew during with the 2Fr 90 payment made

accent on boosting net earnings. Bruxelles Lambert grew during with the 2Fr 90 payment made For a group that in the four the year ended September 30, for 1977 and for the nine months years since its creation as the link between the Bruxelles 1979, to BFr 660bn (\$23bn) from of 1978.

The figures underline the Lambert banking and financial BFr 570bn the year before. BF 570bn the year before. The figures underline the Lambert banking and financial BF 570bn the year before. The figures underline the Lambert banking and financial Consolidated net income, how Belglan group's main pre-interests has seen its gross asset ever, dropped to BF 1.78bn occupation during the next few value more than triple, this (\$200n) from BFr 2.35n the year. The growth that has lifted consolidation will be a consider before.

Baron Lambert's financial able change of pace.

month the 25-member ASEAN

Bankers Council, meeting in

Jakarta with a mission from

Dovukai), agreed to work out a

This would in turn participate

FINANCING OF INDUSTRY

### East meets West in ASEAN

ASEAN — the five-member If the framework for these is what the Japanese sogo to find its own institutionalnew institutions still seems shosha specialise in providing to formula. Association of South East Asian uncertain, it is because it is companies in Japan. The vital Nations, comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand — is only recently, after several years role these institutions have preparing to give birth to a new to spur industrial and business type of industrial financing indevelopment in the five-nation such as Omar Abdalla, the block. It is now widely accepted Indonesian banker who is chairstitution. The plan is for a hybrid of western and eastern institutional forms, combining that some sort of institutional catalyst is required to promote features of a development bank, a European-style holding comthe growth of the corporate pany, and a Japanese "sogo shosha," or trading company. The idea has been a long while germinating, but late last

man of the ASEAN Bankers Council. At the same time, some ASEAN bankers have become disillusioned with the develop-The scheme for a hybrid financial institution covers the setting up of a body at ASEAN-only level, which among its activities would participate in a Japan-ASEAN institution. Eventually, a grid of institutions might emerge—one in each of the ASEAN countries

the Japanese Committee for Economic Development (Keizai concrete proposal by May for establishing a joint Japaninvestment fund to which merchant banks play in the private and state-owned com- region. mercial banks in the region will One ASEAN investment fund to mercial banks in the region will One of them, Dr. J. Panglay-contribute a substantial sum of kim, head of an Indonesian promote industrial development. The scheme covers in the first instance the setting up of such an institution at ASEAN-only new ASEAN companies and argues that the "pioneering" help existing companies to development role merchant level, to be styled ASEAN Finance Corporation (AFC). with the Japanese in a second institution. Eventually, AFC new industrial financing and development institutions - one

This will probably be an ment role which British

has caught the attention .of

equity capital, and which will in private bank and also a member turn take equity investments in of the ASEAN Bankers Council, expand. The new institution is banks played in combining also likely to have a role capital with industrial enter-in providing management, tech- prise in Europe had not been nical and marketing services to played by these banks in South new companies, and in helping East Asia. They had preferred established ones to grow. This kind of universal service activities. So ASEAN needed

of study, that ideas have begun played in supporting Japan's ASEAN institution with a paid-to crystallise on what is needed post-war industrial development up capital of U.S.\$180m, with heme envisaged a joint Japanthe Japanese side subscribing U.S.\$90m of this and each ASEAN country one fifth of the remainder. However, despite some ASEAN countries attraction to the sogo shosha model, caution remains over possible Japanese economic domination in the region, and ASEAN members are likely to want a bigger stake in any joint

> Shichiro Murai the chairman of the Keizai Doyuko and a vice president of Japan's Sanwa Bank, said after the meeting in Jakarta that progress had been better than he had expected and following a further exchange of views beween the two sides, concrete proposals for a new investment fund would be formulated by May 23. The proposal would then be submitted to the seventh ASEAN-Japanese businessmen's meeting in Tokyo on July 10.

> What is looked for now is an institution, or group of institu-tions, which help to make indigenous groups, huch as the Pribumis in Indonesia and the Bumiputras in Malaysia, partners in industrial development with the overseas Chinese in these countries.

Much the same applies to the Philippines—and to Thailand, although there the That and Chinese populations are more closely assimilated. In Chinese-dominated Singapore, The Chinese Chamber of Commerce and Industry (supported by its sister organisation from Malaysia) recently outlined a proposal for an ASEAN Investment Corporation (AIC) to private sector co-operation ASEAN. It is unclear at this stage whether this institution,

which would have a paid-up capital of US\$300m, would merge with or exist alongside the new body proposed by the ASEAN Bankers Council. At the same time, Indonesian Government ministers now have

on their desks a proposal for an Indonesian Domestic Investment Company (DIC) which would be sponsored by local (mainly state-owned) banks and financial institutions. It would engage in equity investment, corporate and management services, project development, and, at a later stage, capital market development, investment trust activities and underwriting of securities. One existing investment institution which has played an active part in advising on the possible framework of new institutions, including an ASEAN Investment Capital Fund, is the Singapore-based Private Investment Company for Asia (PICA). With a multinational shareholder spread of tions, PICA has grown slowly

jects in nine Asian countries including \$16.8m of equity investments in 57 companies. western venture successful, by venture capital standards—will have a stake in any of the various new institutions under study remains to be seen, but it is likely to have at least an advisory capacity.

but surely since its founding in

1969 and has provided some

US\$250m of capital to 190 pro-

#### Targets up at Toyota, Motor Sales

TOKYO - Toyota Motor Sales Company said that it has revised upwards its after-tax profit forecast for the current business year ending next March 31 to about Y33bu (\$135m) from Y31bn estimated last November.

It also revised upwards its sales forecast to about Y3,250bn from Y3,150bn. These compared with after-tax profit of Y22.81bn reported

for the last business year on

sales of Y2,810bn. The company said that the upward revision followed a larger-than-expected increase in exports to the U.S. and the Middle East, and improved export profitability due to the yen's depreciation against the

Exports in the year are expected to rise to 1.47m vehicles from an original target of 1.37m, while domestic sales will be almost unchanged from the target of 1.63m.

The company exported 1.26m vehicles and sold 1.58m at home last year.

# Turnround to operating profit by Showa Denko

BY YOKO SHIBATA IN TOKYO

fied chemical company which of finished products, resulting merged with Showa Yuka from the tight relationship of (Petrochemical) in July, made demand and supply. an operating profit of Y15.59bn (\$63.7m) in the year to December, to show a sharp recovery from the operating loss of Y488m returned in 1978. Net profits were Y6.83bn, ahead by 85 per cent, on sales of Y373.94bn (\$1.53bn), up 33.4 per cent, over a year earlier. Profits per share improved to Y7.81

from Y4.37. Petrochemical product sales increased by 66.5 per cent to account for 51.1 per cent of total sales. Ferro-alloys and furnace products also fared well, up 38.8 per cent to account for 16 per cent of the total, helped by weaker competition from imported products, in view of the yen depreciation.

Reflecting the increase in the production of electric home appliances and automobiles. domestic demand for petrochemical products was strong. Cost rises in raw materials such as naphtha were fully covered

SHOWA DENKO, the diversi- by the increase in selling prices

The company said that price increases in finished products contributed one-third of the operating profits. Rationalisation measures such as reducing employees and borrowings, since 1975 also accounted for one-third, and the merger with Showa Yaka brought increases in production which accounted for the remainder.

The company has resumed payment of the annual dividend at a rate of Y4.00 per share. For the current fiscal year, the company sees difficulty in passing on cost increases in the selling price of finished products without meeting resistance from customers. A slight setback in operating profits is expected at Y13bn, (down 17 per cent) on sales up by 12.3 per cent to Y420bn.

FUJI PHOTO FILM COMPANY Y609.94bn and earnings per lifted consolidated net income share came to Y18.73 against to Y21.19bn (\$86.5m) in the Y18.82.

(\$1,46bn) against Y\$12,59bn and earnings per share reached Y70.2 compared with Y64.9 Reuter reports from Tokyo.

Full photo expects net income for the year ending next October to fall to some extent following sharp rises in the prices of silver and other

raw materials. The company plans to raise prices of its films, but it will be difficult to pass on all price rises of raw materials to

The company said total sales will rise following the planned increases in product prices,

NET consolidated income at Kajima Corporation shows little change for the year to November 30 at Y13.6bm (\$55.5m) against Y13.66m Reuter reports totalled : Y884.96br (\$2.8bn) compared with

This announcement appears as a matter of record only.



### Alcoa of Great Britain Limited

£40,000,000

Floating Rate Loan

Revolving Acceptance Credit Facility

**Hambros Bank Limited** 

provided by

Lloyds Bank Limited

Nordic Bank Limited

Lloyds Associated Banking Company Limited

J. Henry Schroder Wagg & Co. Limited

Agent Bank **Hambros Bank Limited** 

February, 1980

### TNT lifts dividend

THOMAS NATIONWIDE and the directors forecast a TRANSPORT (TNT), the international transport group, has year. The company has already reported a 91 per cent tump in raised its interim dividend from 5 cents a share to 6 cents on capital increased by last year's one-for:10 scrip issue. Last year a final of 6 cents was paid, lifting the total payout from 9 cents to 11 cents.

released on February 25. , In 1978-79 group profit rose by 65 per cent to A\$23.3m (US\$25.8m)

reported a 91 per cent jump in profit for the first quarter to

The interim dividend is the last six-monthly payment to be made by TNT. The directors have previously announced that in future dividends will be on Profit figures for the half-year a quarterly basis. TNT is ended December will be thought to be the first industrial company in Australia to adopt this procedure. The dividend will be paid on March 28.

### General Mining buys into **Siemens South Africa**

BY JIM JONES IN JOHANNESBURG

GENERAL MINING, the South Mining's interest in Lydenburg African mining house, has Platinum only a few weeks ago, acquired a 16 per cent interest Siemens is not quoted. Its other in Siemens Ltd., the German company's South African operat-ing arm. In itself, the acquisition means no effective change in control of Siemens—the German parent's 52 per cent controlling interest remains unchanged.

In acquiring an 8 per cent interest from South Africa's largest life assurer, the Old Mutual and a further S per cent from the state-owned Indus-(IDC), however, General Mining could be laying the ground for products. Mining has significant engineering interests which could enter into joint ventures

No details have been provided on what General Mining has per cent acquired from the Old Mutual is linked with the assurer's acquisition of General

shareholders are IDC (16 per cent) and the Federale Group (16 per cent). SOUTH AFRICA'S largest cement producer, Anglo Alpha

Cement, increased its operating income to R29.9m (\$36.8m) in the year to December 31. This represents an annual rate of increase of 43.4 per cent in comparison with the R31.3m for the 18 months to December 1978. Though domestic cement year, volume sales declined

because of lower export sales. Even so, the group's lime, growth in demand, resulting in a turnover rise at an annual rate 17.2 per cent, to R138.1m months' R176.7m.
After current cost adjust-

ments and extraordinary items, attributable profit was R10.4m against the previous 18 months R8.8m.

#### **VOLKSWAGENINTERNATIONAL** FINANCE N.V.

7%% US-\$-Bonds of 1978/1985

Drawing of Bonds as per June 1, 1980

For the second redemption instalment due June 1, 1980 in the nominal amount of US-\$ 5,000,000 -- a drawing by lot took place before a notary public, pursuant to § 3 of the Terms and Conditions of the Loan.

with the rumbers 2001 to 5000 (US-\$ 1,000 each) and 7801 to 8200 (US-\$ 10,000 each)

The drawn Bonds shall be redeemed at par from June 1, 1980

and shall cease to bear interest as per May 31, 1980. The Bonds will be paid in the United States of America at Commerzbank Aktiengesellschaft, New York Branch and outside the United States of America at

Commerzbank Aktiengesellschaft Coupons as per June 1, 1981 and following are to be attached to the Bonds. The amount of missing unmatured coupons will be deducted from the principal amount. The coupon as per June 1.

Amsterdam, February 1980

Volkswagen International Finance N. V.

Notice of Purchase

#### - European Investment Bank 9§% Dollar Bonds of 1979.

Due February 15, 1991

Notice is hereby given to Bondholders that The Nikko Securities Co., Ltd. as Purchase Agent for account of such bank, has purchased during the eleven-month period ending February 14, 1980, U.S. \$6,000,000 principal amount of such Bonds. On February 15, 1980 the principal amount of

Bonds remaining in circulation was U.S. \$94,000,000.

MTER

Ra

EL BY

Luxembourg, February 20, 1980 -

This announcement appears as a matter of record only.

#### Eastern Air Lines Inc \$156,000,000

with the guarantee of

**Export Credits Guarantee Department** 

in connection with contracts awarded to Rolls-Royce Limited for the supply of RB-211-535 engines for the Boeing 757

Lazard Brothers & Co., Limited

Funds provided by

Chase Manhattan Limited Citicorp International Bank Limited Lazard Brothers & Co., Limited Midland Bank Limited National Westminster Bank Group

Agent Bank

Lazard Brothers & Co., Limited

This appropriement appears as a matter of record only.

### **Egyptian Electricity Authority** £15,162,187

guaranteed by

#### National Bank of Egypt

in connection with a contract awarded to Rolls-Royce Limited for the supply, installation and commissioning of four 50 Mw generating sets for the Mahmoudiya Power Station

Arranged by

Lazard Brothers & Co., Limited

Funds provided by

**Barclays Bank Limited** Lazard Brothers & Co., Limited National Westminster Bank Group

with the guarantee of

**Export Credits Guarantee Department** 

Agent Bank

Lazard Brothers & Co., Limited

### The Romanian Bank for Foreign Trade £68,503,603

with the guarantee of

**Export Credits Guarantee Department** 

in connection with contracts awarded to Rolls-Royce Limited for the supply, assembly and manufacture of Spey 512-14DW engines

Arranged by

Lazard Brothers & Co., Limited

Funds provided by

Anglo-Romanian Bank Limited **Barclays Bank Limited** Lazard Brothers & Co., Limited Lloyds Bank Limited Midland Bank Limited National Westminster Bank Group

Lazard Brothers & Co., Limited

active foreign exchange trading not intervene in the market yesterday against a background of firmer U.S. interest rates, and of firmer U.S. interest rates, and the commitment by Mr. Paul ditions in the domestic money Wolcker, chairman of the Federal market: strongest EMS currency Volcker, chairman of the Federai Reserve Board, to tight with French franc—The lira was monetary policy. Sterling, which has been in demand in U.S. centres during recent weeks, came under some selling rose to L483.48 from L483.30, but pressure in the late afternoon. The pound opened at \$2.2925. The pound opened at \$2.2925 the highest level of the guilder, Danish krone, and frish punt also improved against the The pound opened at \$2.2925.
2.2935, the highest level of the day, and fell to \$2.2825 at noon, and to \$2.2725 by mid afternoon. As U.S. markets became heavy buyers of dollars, sterling fell quickly to a low point of \$2.2860.
2.2670, where the Bank of England intervened to support the pound. With assistance from the authorities and some late natural demand sterling wask suffering two devaluations. demand sterling recovered slightly to close at \$2.2715-2.2725, a fall of 2.45 cents on the day. The pound's tradeweighted index, as calculated by the Bank of England, fell to 72.3 from 72.9 after standing at 72.8 in the morning and 72.8 in the

The dollar's index, on Bank DKr 3.34. The lira was of England figures, rose to 85.8 unchanged, but the D-mark, from 85.5. The U.S. currency Belgian franc Dutch guilder and improved to DM 1.7480 from DM 1.7410 against the D-mark, and dollar rose to DKr 5.45 from SwFr 1.6380 from SwFr 1.6280 DKr 5.4360, and sterling terms of the Swiss franc. DKr 124710 from DKr 124680 adding in the Japanese yen was JAPANESE YEN — Ener Trading in the Japanese yen was quiet, but the dollar rose to

Y245.40 from Y244.90. D-MARK — Very strong, but remaining steady within the Curopean Monetary System-The on Monday, but the dollar to stem the dollar's advance improved to DM 1.7446 from yesterday.

dollar gained ground in DM 1.7405. The Bundesbank did ITALIAN LIRA

> weak, suffering two devaluations since EMS began last March— The krone lost part of its recent gains against its EMS and other major currencies at the Copenhagen fixing although th French franc fell to DKr 1.3337 from DKr 1.3345, and the Swiss franc to DKr 3.3350 from

dollar rose to DKr 5.45 from

decline last year, but steadie until recent days when down ward trend has been renewed The yen remained D-mark was firmer against the Tokyo, despite the rise in t French franc, Italian lira, Bank of Japan discount rate Belgian franc, and Danish krone Monday. The central bank of Monday, The central bank cor at the Frankfurt fixing, but tinued to support the yen yeste declined against the Irish punt day as the dollar rose to Y245.1 and Dutch guilder. Outside the from Y243.771. Market source EMS the German currency con-predicted that the yen wi tinued to rise against the Swiss decline further unless there ar franc, Japanese yen and sterling. further moves to assist the yen. The pound was fixed at DM It was estimated that the 3.9830, compared with DM 3.9870 authorities bought about \$250m

#### EMS EUROPEAN CURRENCY UNIT RATES

	٠	ECU central rates	Corrency amounts against ECU February 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Bek	ian Franc	39,7897	40.5500	+1.91	+1.50	±1.53
	ish Krone	7.72336	7.79255	+0.90	+0.48	<u>+</u> 1.64
Ger	man D-Mark	Z-48208	2,49642	+0.58	+0.17	±1.125
	ich Franc	5.84700	5.85853	+0.20	~0.21	±1.3557
	ch Guilder .	2.74362	2.74938	+0.21	. ~0.20	±1.512
	Punt	0.668201	0.573237	+0.75	+0.34	÷1.668
	en Cira	1157.79	1156.72	-0.14	~0.14	±4.08
	Changes	are for E	CU, therefore		hange denotes Financial Tim	

#### THE POUND SPOT AND FORWARD

Feb. 19	spread	Close	One month	7. P.a.	Three months	p.a.			
Ų.S.	2,2660-2,2835	2.2715-2.2725	0.30-0.20c pm	1.32	1.32-1.22 pm				
Canada	2.6250-2.6650	2.6340-2.6360	6.82-6.72c pm	3 51	2.48-2.38 pm	3.69			
Nathind,	4.351-4.47	4.37-4.3B	24-14c pm		67-57 om	5.83			
Belgium	64,20-64,35	64,40-64.50	20-10c pm		55-45 am	3.10			
Denmark	12.35-12.47	12,387-12.394	34-54ore dis						
Ireland	1,0630-1,0760	1.0705-1,0715	94-3-4018 dis			-3.47			
W. Gar.	3,96-4.00	3.97-3.98	312-212pf pm	-0.56	0.14-0.24dls 94-84 pm	-0.71			
Portugal	107.50-108.90	107.85-108.05	20-70c dis			9.31			
Spein	151-85-153.20	152.30-152.40	15-65c dis			-2.86			
ltaly	1.833-1.849	1,836 - 1,837			45-145 dis	-2.49			
Norway	11.07-11.18	11.092-11.102				-1.69			
France	9.28-9.36	9.3012-9.3117			174-154 pm	5.85			
Sweden	3.45-3.57	3.481 <sub>4</sub> -3.491 <sub>4</sub>	41 <sub>2</sub> -31 <sub>2</sub> c pm		12-11 pm	4.84			
Japan	5.55-565	557-558	31-11-ore pm		9.7 pm	3.37			
Austrie	28.35-28.65	28,40-28,45	3.70-3 40y pm		11.20-10.90pr				
Switz.	3.71-3.742	3.714-3.724	22-12gro pm 4½-3½c pm	7.10	67-57 pm	8.72			
	· · · · · · -			13.70	12-11 pm	12.36			
Bel	lgian reto is l	or convertible	trancs. Financia	ıl franc	66,45-66.55.				
Six-month forward dollar 2.10-2 00c pm, 12-month 3.25-3.15c pm,									

#### THE DOLLAR SPOT AND FORWARD

	Day's			%	Three	- <u></u>
Feb. 19	spread	Close	One month	p.a.	months	p.s.
UKT	2.2660-2.2935	2.2715-2.2725	0.30-0.20c pm	1,32	1.32-1.22 pm	2.23
freiendf	2.1255-2.1270	2.1265-2.1270	0.50-0.40c pm	2.55	1.82-1.72 pm	3.34
Canada	1.1587-1.1606	1,1598-1.1601	0.14-0.11c pm	1.29	0.43-0.40 pm	7.43
Nathind.	1.9202-1.9238	1.9228-1.9238	0.75-0.68c pm	4,46	1.78-1.68 pm	3.60
Beigium	28.31-28.38	28.36-28.38	5-3c pm (	1.69	7-5 pm	0.84
Denmark	5.4465-5.4520	5,4495-5.4510	2.15-2.65ore dis	<b>∽5.28</b>	7.40-7.90dis	-5.61
W. Ger.	1.7410-1.7510	1,7476-1,7485	1.16-1.06pf pm	7.62	3,10-3,00 pm	6.98
Portugal	47.45-47.73	47.63-47.73	10-20c dis	~3.77	30-60 dis	-3.77
Spain	66.89-67.22	67.18-67.22	15-25c dia	~3.57	55-70 dis	-3.72
Italy	807.50-809.20	808.90-809.20	13-23 lire dis	~3.15	8-9 dis	-4.20
Norway	4.8760-4.8890	4.8810-4.8820	1.90-1.40ore pm	4.05	4.65-4.15 pm	3.60
France	4.0850-4.1010	4.0970-4.0990	1.20-1.10c pm		2.80-2,65 pm	2,56
Sweden	4.1695-4.1760	4.1742-4.1752	1.00-0.80om pm	2.59	1.50-1.30 pm	
Japan	245.20-245.76	245.35-245.45	1.50-1.35v pm		3.85-3.50 pm	
Austria	12.493-12.512	12.507-12.512	7.50-6.90gro pm		21.50-19.50	6.55
Switz.	1,6265-1.6415	1.6375-1.6385	1.70-1.63c pm		4.20-4.13 pm	

CURF	REN(	CY RA	TES	CURRENCY	MOVE	MENTS
Feb. 18	Benk rate		European Currency Unit	Fab. 19		Morgan Guaranty Changes %
Sterling U.S. S Canadian S Austria Sch Belgian F Danish K D'Mark Guilder French Fr Lira Yen Norwgn. Kr Spanish Pts Swedish Kr Sweds Fr	17 13 14 101 <sub>2</sub> 13 6 91 <sub>2</sub> 91 <sub>2</sub> 15 71 <sub>4</sub>		0.625891 1.45579 1.66796 17.9044 40.5684 7.80139 2.49900 2.75141 5.85445 1157.61 351.052 6.99591 95.9583 2.3833	Sterling U.S. dollar Canadian dollar Austrian schilling Belgian franc Danish kroner Deutsche mark Swiss franc Guilder French franc Lira Yen Based on trade we Washington agreen (Bank of England	85.8 158.3 125.3 108.7 157.8 198.4 126.3 101.9 105.5 115.1 inghtsd ch	mber, 1971

#### OTHER MARKETS

Feb. 19	£	8		£ Note Rates
Argentina Peso	3824-3844 2.0365-2.0605		Austria Beiglum	28.46.38.70 66.15-66.65
Brazil Cruzeiro Finland Markka	102,12-103,12 B,42-8,43	44.95-45.40 3,7155-8,7175	Denmark France	12,41-12,48 9,29-9.35
Greek Drachma Hong Kong Dollar	88,964-91,086° 11.08+11.104	4.8850-4.9000	Germany Italy	3,97-3,991 <sub>2</sub> 1875-1920 559-564
Iran Rial Kuwait Dinar(KD)	0.619-0.629	0,2731-0.2732	Japan Netherlands Norway	
Luxembourg Frc. Malaysia Dollar New Zealand Dir.	i 4.9460 4.9600'	2.1800 2.1810	Portugal	106-110 1504-1571 <sub>2</sub>
Saudi Arab. Riyal. Singapore Dollar.	7.65-7.73 4.8900-4.9040	3,3590-3,8620 2,1550-2,1560	Sweden	9.51-9.56 3.723 <sub>1</sub> -3.743 <sub>4</sub>
Sth. African Rand U.A.E. Dirham	1.8425-1.8450 8,50-8.60	0.8110-0.8120	United States Yugoslavia	2,275-2,283 50-521 <sub>2</sub>

#### **EXCHANGE CROSS RATES**

Feb. 19	PoundStarting;	U.S. Dollar	; Deutschem k	Japan seYen	FrenchFranc	Swiss Franc	DutchGuild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Starting	0.440	2.272	3,975 1,750	557.5 245,4	9.510 4,098	5.723 1.638	4.375 1.926	1837. 808,5	2.635 1.160	64.45 38.37
Deutschemark	0.252	0.572	7,150	140.3	2.842	0.936	1,101	462,1	0.663	16.21
Japanese Yen 1,000	1.794	4.075		1000.	16.70	5.677	7,848	3295.	4,726	115.6
Frencis Franc 10	-1:074	2,440	4.270 · .	. 598,8	10.	3.998	<b>4,699</b>	1973.	2,880	69.23
Swiss Franc	0,269	0.610	1.068	149,8	2,501	1.	1.175	493,5	0,708	17,31
Dutch Guilder	0:329	0.519	0,909	127,4	2,128	0.851	1.	419,9	0.602	14.75
Italian Lira, 1,000	0.544	1.237	2.164	303,5	5,068	2,026	2,382	1000.	1,434	35.08
Canadian Coller	D.380-	D.869	1.509	211,6	3.584	1.413	1,561	697,3	1.	24.45
Belgian Franc 190	1,552	3.525	6.168	865,0	14.48	5.776	6.788	2850.	4.058	100.

#### FURO-CURRENCY INTEREST RATES

PONO-OPINITIES INTERIOR		
The Johnwing coming rates were quoted for London dollars	iar certificates of deposit: one-mor	nth 15.40-15.50 per cent; three-months 15.75-15.85 per cent; six mont
188 IDHOWING ROUGHES TORS OF SELECTION		
15.20-15,90 per cent; one year 15.25-15.35 per cent.	•	

Feb. 19 Sterling	ย.s.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lita	Aslan \$	Japanese Yen
Short term	15%-15% 15%-15% 16%-16% 15%-16% 15%-16%	121g-151g 121g-1512 137g-141; 137g-141; 137g-141; 151g-141;	101g-1054 111g-1156 115g-1178 117g-121g 117g-121g 117g-121g	14.12 34.1 34.55 413.56 515.56 515.56	778-8 778-8 812-818 816-818 618-818 818-9	115 <sub>2</sub> -12 115 <sub>2</sub> -12 121 <sub>4</sub> -121 <sub>2</sub> 121 <sub>2</sub> -123 <sub>4</sub> 131 <sub>6</sub> -133 <sub>6</sub> 131 <sub>4</sub> -131 <sub>2</sub>	14-16 18-19 183 <u>-</u> -193 <sub>4</sub> 171 <sub>4</sub> -201 <sub>4</sub> 191 <sub>2</sub> -203 <sub>9</sub> 21-22	151g-154 151g-151g 155g-153g 155g-153g 151g-151g	714-812 81g 9 914-85g 916-91g 934-91g 91c-95g

Long-term Eurodollar two years 14½-14½ per cent: three years 14½-14½ per cent: four years 14½-14½ per cent; five years 14-14½ per cent: nominal re-term rates are call for starting, U.S. dollars. Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in

#### INTERNATIONAL MONEY MARKET

### Rates to stay firm

Tight conditions continue to since prevail in the world's major money markets. In its latest monthly report the West German Bundesbank mentioned infla- high in tionary pressure and continued economic growth as prime reasons for the maintenance of tight economic policies. Germany's discount rate was raised by 1 per cent to 6 per cent last November, but recent dis-count rate increases by the U.S. Federal Reserve and the Bank of Japan has increased speculation that another rise may occur in the near future. In Frankfurt yesterday period rates were unchanged but call money eased to 7.40-7.70 per cent from 7.90-8.00 per cent. During the past two weeks day-to-day money has declined steadily from 8.65 per

in Paris term money was firmer, and call funds rose to 111 per cent, after touching a five-month low of 111 per cent on

in Brussels the fear of driving-interest rates even higher has forced the Belgian Government to postpone plans for two public borrowings. The two offerings borrowings. The two offerings scheduled for March, totalling BFr 26bn, have been shelved following the lack of enthusiasm for the previous bond issue, even at a record 11 per cent. The prospect for baving to offer con-siderably more attractive terms led to the decision, particularly

MONEY RATES

GERMANY

since commercial banks have sought to attract funds by reducing to BFr 1m from BFr 5m the minimum deposit eligible for high interest rates of 13-14 per

#### UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit remained in slightly short supply in the London money market yesterday and the authorities gave further small assistance by buying a small amount of Treasury bills and a small number of local authority bills from the discount

Banks brought forward surplus balances from Monday, but this was outweighed by the un-winding of repurchase agreements on a moderate amount of

bills.

Discount houses paid 16:-17
per cent for secured call loans
in the morning, and closing
balances were taken at 16:16; per

GOLD

### Weaker trend

\$651 in the London bullion market yesterday. The metal opened at \$660-665, and touched high point of \$662-667, but trading was very quiet during the morning. It was fixed at \$661.75 in the morning and \$652.25 in the afternoon. With the opening of the New York market gold fell to a low point of \$642.646, following comments by Mr. Paul Volcher and property of the property of the part of the par

chairman

Federal Reserve Board, on U.S. monetary policy. In Paris the 124 kilo gold bar was fixed at FFr 86,000 per kilo (\$652.96 per ounce) in the afternoon, compared with FFr 86,005 (\$654.24) in the morning, and FFr 86,000 (8655.76) Monday

afternoon.

In Frankfurt the 12; kilo bar was fixed at DM 37,055 per kilo (\$661.75 per ounce) compared with DM 37,235 (\$665.25) previously.

•			
-: :}	February 19	y.F	ebruary 18
Close	Gold Bullion (fine of (£284-2861 <sub>2</sub> ) (£2834-291) (£289,100) (£287.082)	unce)  \$560-665  \$659-664  \$665-25  \$661.50	(£287.5-289.8) (£286.65-288.8) (£289.844) (£288,£35)
Krugerrand	(£2851 <sub>2</sub> 2881 <sub>2</sub> ) (£3851 <sub>2</sub> 2881 <sub>2</sub> ) (£71.761 (£76-79) (£761 <sub>2</sub> 791 <sub>2</sub> )	\$665 667 \$555 657 \$153 167 \$173 177 \$175 180 \$155 159 \$220 830 \$635 645 \$780 790	(£389-295 ½) (£389-2951½) (£71-72¾) (£751£-7714) (£76½-7814)

interbank trading was fairly volatile ahead of monthly make up day, but the general trend was for a reduc-tion in interest rates. Overnight loans opened at 17-171 per cent, and eased to 161-17 per cent in

161-164 per cent at lunch. During the afternoon rates continued to decline to a low point of 16-16; per cent, before rising to 171-18 per cent at the close. Rates in the table below are

#### LONDON MONEY RATES

Feb. 19	Starling Certificate of deposit	( INCORPORATE		Local Auth- negotiable bonds	· Hottan	Company Deposits	market deposits	Treasury	Bank Blis F	Trade Bills 4
days notice. days notice. days of days notice. me months. hree months. ix months. line months. hree months.	1705-17-8 1756-17-8 1756-17-8 17-16-16 1816-16	16-18 165;-171 <sub>8</sub> 171 <sub>2</sub> -173; 171 <sub>6</sub> -171 <sub>8</sub>	1734-1778 1734-1776 1678-1718	19-18-2 19-18-2 18-4-17-4 17-4-16-5 16-4-16	161 <sub>8</sub> 181 <sub>8</sub> 181 <sub>8</sub>	171 <sub>6</sub> 171 <sub>2</sub> -173 <sub>6</sub> 18 18	16-17 — 16-18 16-18 16-12 16-14 —	15% 16& 16&	18 1734 1748 164	181g 181k 18 1634

# WHO'S AFRAID OF THE 1980s?

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# Where is the **Motor Industry** going?

Can the middle-sized company survive alone? How far will industrialised countries go in encouraging new motor industry investment?

These and many other questions will be examined at the World Motor Industry Conference arranged by the Financial Times in association with the management consultants Booz-Allen & Hamilton.

Timed to coincide with the 1980 Geneva Motor Salon, the conference will be held at the

Inter-Continental, Geneva on 3 & 4 March, 1980.

During the two days an international panel of speakers will discuss the outlook for car manufacturers and component makers and the public policy issues surrounding the industry as well as the financial situation, will be subjected to thorough scrutiny.

For full details of the agenda and registration procedures complete and return the coupon below.

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Stocks Clos
traded pri
Occidental petm, 410,700 28
Baxter Labs. ... 405,600 40
Amer. Tel Tel. 387,800 50
Gulf Oil ....... 385,800 44
Amer. Cyanamid 347,800 32

281<sub>2</sub> 401<sub>8</sub> 502<sub>4</sub> 442<sub>4</sub> 321<sub>4</sub>

Companies and	Markets	· · · · ·		WO	RLD STO	OCK MAR	RKETS
Stock  AMF  AMM Intil  ARA  Abbotts Labs  Acene Cleve  Adobe Oli 2 Gas  Actna Life 2 Gas  Actna Life 2 Gas  Alean Alire 2 Ghem  Albarro Gulv  Alberto-Gulv  Albarro Gulv  Alleghamy Ludim  Alied Storas  Amerada Hess  Amerada  Am. Hone Prod  Am. Standard  Am. Stand	Stock	194	Tea	Stock	Stook	WITH INVESTORS more discouraged about look for interest rates at tion, Wall Street conti- retreat sharply over a front in fairly active yesterday morning on ra after the holiday-len weekend.  The Dow Jones in Average, after receding nine points last Friday, w fower at \$73.46 at 1 pm day. The NYSE All ady. The NYSE All ady ances by a fourt-to-o gin. Trading volume sh advances said investor also discouraged by a cent rise in January w prices, announced on which suggests continued digit inflation for mont Among the recently Oths, Supertor Oil lost advances announced on which suggests continued digit inflation for mont Among the recently Oths, Supertor Oil lost and control in the sh advances said the c went shade of the sh advances said the c went shade of the sh advances said the c cambilla	growing the out- mid infla- mid to broad trading periodic merger specula  THE AMERICAN SE  THE AMERICAN SE
Central & SW	\$ 4316   Gelco	26	2016   2018   Reyr     2312   34   Reyr     2335   2356   Rich     2336   2356   Rich     2336   1836   Rick     3164   1836   1836   Rock     325   2518   Rock     322   912   Rock     324   235   Rope     325   235   Rope     326   235   Rope     326   235   Rope     327   313   22   Rock     313   32   Rock     313   Rock     313   32   Rock     313   Rock     32   Rock     32   Rock     33   Rock     34   Rock     34   Rock     34   Rock     35   Rock     35   Rock     36   Rock     37   Rock     38   Rock     38   Rock     414   Rock     315   Rock     414   Rock     414   Rock     414   Rock     414   Rock     415	moids (RJ). 3419. 3519. 3619.	Warner Swasey 8714   8714   Washington Post   1978   200   2014   255   255	Dom Bridge	Fab. 19 Price + or Yorke

# Dow fall of 11.

Elsewhere. Nippon Mining weaker at A\$9.30, ip at noon, Y13 to Y659, Honda Motor Y9 to put on 25.9 Y615, Olympus Y15 to Y750 and after sales as low a Pioneer Electronic Y20 to Y1.980.

Pioneer Electronic Y20 to Y1.980.

Germany

The market advanced broadly after Monday's downturn, with dealers reporting lively trading despite the session ending early due to the partial Shrove Tuesday holiday. There was domestic institutional buying and some foreign demand.

Motors and Machines scored the day's sharpest gains. KHD advanced DM 6.50. Linder DM 6.00. Daimler-Benz DM 5.00.

Wolkswagen DM 3.60 and BMW DM 6.50. Linder advanced DM 6.50. Linder advanced DM 6.50. Linder in Electricals.

The market advanced broadly Rundle oil shale pan Pacific, fell A\$2 to .

However, specu Leichardt Explored about to make an a continuous day sharpest gains. KHD advanced DM 6.50. Linder DM 6.50. Linder DM 6.50. Linder DM 6.50. Daimler-Benz DM 5.00.

However, weakened as the foreign demand.

Singapore

Weekend closure for Lunar New Year, for Singapore market ground yesterday volume, but finishe day's best on profit stading session closed, with some older public issues falling a full in Electricals.

The market advanced broadly Rundle oil shale pan Pacific, fell A\$2 to .

However, specu Leichardt Explored about to make an a continuous day saw the A\$2.00 to \$A7.90.

Singapore market Singapore market ground yesterday volume, but finishe day's best on profit strading session closed, with some older public issues falling a full in Electricals.

The Domestic Bond Market, however, weakened as the trading session closed, with some older public issues falling a full in Electricals.

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der ever		erican overse	eas. A was a	broke Isa sp	er added that eculation that	placir	is the	DM 800m Bund inced two week	espost	tradi: cents	ng. St. Helen to R34,50 ar d 75 cents to
: по1	or No t avail: tion.	rth energ able econo	y sub mic s	ject summi	vill be a major in the next to seven on to be held			Mining issues.	par- ights.	. Harti Els	les rose 100 cer sewhere. Impa to R6.90 follow
-		BELGIUM (co.			HOLLAND		<del></del>	AUSTRALIA		 ;	IAPAN (contir
eb. 18	Feb.	Feb 19	Price Fra.	<u> </u>	Feb, 19	Price Fla-	± or	Feb. 19		+ or #	F8D9
33g 44g	23åg	Petrofina	6,100 5,750 2,760	+160 -50	ACF Holding	71.5	+1.5 -0.1	Acrow Aust Alistale Expl Ampol Pet	1,05 2,10 1,20	+ 0.10	MALUCAL
8 174	; 68 , 37	Soc Gen Beige Sofina	1.705 3.480 2.380	-10 +10	ACF Holding	25,3 291,2 99.5	+0.3 -0.8 +1.0	Audimon	2.35 0.28		Matsushita.
54 54 57	254 25_	Solvay	2,570 1,438 966	-40 -2	Readure Cart	215.0	_0.5	Aust Guarant Aust Nat. Inda	1.55		M'bishi Corp
.5 /8 .978 .5 /2	; 163 <sub>4</sub>   20	Vieille Mont	1.785	+20	Bos Kails Buehrmann-Tet Caland Hidgs Elsevier	. 52.2 26.5	+0.1	Bamboo Greek Bank NSW	0.29	-0.62 -0.62	M'bishi Ri Est
105; 161 <sub>2</sub>	5334 3918 2614	DENMARK			Euro Com Tst	137.0 72.6		Bood Hides	2.00		Mitsukoshi
9 lg 18 lg 13 lg	834 281 <sub>2</sub> 231 <sub>2</sub>	Feb 19	Price	+ 01	Gist. Brocades. Heineken Hoogovens Hunter Douglas	. 33.7 . 66.7 . 82.2	+0.3	Boral Bi ville Copper Brambles Inda, BHP	4.50 2.18	—0.65 +0.05 +0.15 —0.15	Nippon Denso
101 <sub>2</sub> 35 <sub>4</sub>	201g 1334 191g	Andelsbanken Baltica Skand	134.75	;	Hunter Douglas	. 22 . 25,6	-0.4 -0.5		6.50	-0.10	Nippon Oil
45 <sub>4</sub>	333 <sub>4</sub>   18	Burm & Wain Cop Handelsbni D Sukkerfab	1195	-1	Nat Ned Cart	114.2	+0.1	Cluff Oil (Aust.). Do. Opts	., 0.32	-0.02 0.03	NTV
121g 155g 184g	221 <sub>2</sub> 256 <sub>8</sub> 28	Danske Bank	.123.50		Ned Mid Bank	<u>2</u> 1	+0.5	Coles (G.J.)	5.66	+0.04	Misshir Flour
51 <sub>2</sub> 7 26	451g 447g 226	Finansbanken Forende Brygg	133,23 1831.0	-0.5	Oca Grinten OGEM Ommeren (Van)	15.4 224.8	+2,4 +0,1 +0,8	Cons Gold	2,95 6.60	+0.18	Nomura
71 <sub>8</sub>	271 <sub>8</sub> 125 <sub>8</sub>	Forende Damps GNT Hidg Nord Kabel Novo Ind	173		Pakhoed	55 19,9	-0.8   +0.2	Costain Crusader Oil Duniop	: 3.20	+0.05 -0.25 +0.81	Pigneer
8½ 1	39   71	Papirfabrikker. Privatbanken. Provinsbanken. Smidth (FL) S Berendsen Superfos	110 124.50	0.25	Robeco	107.8	+0.2	Enderwarr Pes	3,65 Ab O	D.04	Ricch
84 95 55	175 <sub>4</sub> 29 231 <sub>2</sub>	Smidth (FL) S Berendsen	280 313		Rorento	105.8 164.5	-0.4 +2,8	Hamersley	4.35	+0.01	Sakisti Prefab
83 <u>.</u> 658 4	61 <sub>2</sub> 451 <sub>2</sub>	Superfos	104.0	0.5	Siavanburg's Tokyo Pac Hg_ Unilever, Viking Res. VMF-Stork VNU Voiker-Stavin	225 134 119.5	-1 -2 +0.3	Hartogen Energy Hooker	7 7 7 7 7 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1	-0.20 +0.02	Shisaido
9 3	771g 704	FRANCE	٠	:	Viking Res VMF-Stork	93,4 53,2	+0.4	Jennings Jimberlana Min.	1.05	0.85	S'tomo Marine
6 84	161 <sub>8</sub> 381 <sub>4</sub> 193 <sub>4</sub>	Feb. 19	Price Fra-	<b>+</b> or	Volker-Stavin West Utr Bank	59 59	-0.5 -1	Jones (D) Kia Ora Gold Lennard Oil	1.90	+0.01	Takeda
7½ 32	1.2734 131	Emprunt 41% 197 Emprunt 7% 197	5 1,908 5 990	-2 +32	1 1		<del></del> -	Moskatharra Ms Metramar Min	5.76 3.05	+0.05 +0.05	TOK
11 <u>9</u> 50 4119	31 150	CNE 82 Afrique Occid Air Liquide	5.842 418.9	+31	ITALY	٠.,	:	Monarch Pet	) 0,83 † 1 R4 -	+0.01	TBS Tokio Marine
73,    64,	71g	Au Printemps	1,460 109	+15 +5.2	Feb. 19	Price	   + or	Nat Bank	2.75 2.10 1.55	-0.02	Tokyo Elect.Pwr.
478	47½ 34½	BIC	553	6 9	ANIC	9,76	+0.50		. 5,95		Tokyo Sanyo Toshiba Tokyo Corp
9 241 <sub>2</sub> 1 75 <sub>8.</sub>	2914 124 77	BSN Gervais Carrefour Glub Mediter	1,020 1,839 . 353	+19   +1	Assicur Gen Benca Com'le Bastogi Fin	_112.900	+200	Pancon Pan Pacific Pioneer Conc.	8.50 0.20	-0.56	Tokyo Corp TOYO. Toyo Seikan Toyota Motor
413 54	4414 4414	CGE CSF (Thomson) Cle Bancaire	652	-5 / -5 -1	Fiat Finsider Italcementi	.  1.980 . <sub> </sub> 86.35	+27	QUART Marc't C.	. 0 43	0.02 +-0.05	Victor Waccal Yamaha Motor
418 338 712	341g 123, 173g	Cie Gen Eaux Cofirmeg	441 157	0.5 0.5	Italsider,	. 249	' +9	Reckitt & Coin Sentos Sleigh (H.C.) Southland Ming.		0.20 0.08	Yamazaki Yasuda Fire
73. 93.	5714 2934	CCF Creusot Loire CFP	286	-1.6 +5	Leirelli Co	19 103	+14	Spargos Expl Thos Natwide	2.50 2.50	-0.05 +0,10	YokoJawa Bdge.
778   2   01e	778 1134 98	DNEL Dumez Ferodo	39 872 337.5	-0.1 +6 -2.5	Pirelli SpA Snia Viscosa do. do. Priv.	548 420	+11 -12	Tooth	2.52 4.85	+0:12 -0.15	SINGAPORE
512 718		Aca Analdenas	: 216' .			•		Source Expl. Sparges Expl. Thos Ratwide. Tooheys. Tooth Utah Mining. Vallant Consdit. Wattons, Western Mining. Woodworths.	0.66 4.80	+0.10 -0.01 -0.10	-
2 12 ) 5 778	121g 15 275g	imstal Lafarge L'Oreal Legrand Machines Bull Matra Michelin B. Moet-Hennessy	718 1,588	+39	NORWAY			Woolworths Wormald Inti HONG KONG	3.32	+0.02	Cold Storage
71g   67g	87 461 <sub>2</sub>	Matra Michelin B	9,300 815	-0,1 +150 2	Feb. 19	Price Kroner	+ or	Feb. 15	Price		DBS Fraser & Neave Haw Par
57 <sub>8</sub>	4634 1914 2.60	Most-Hennessy . Moulinex Paribas	82.9 230.8	+2 +0.4 +2.8	Bergens Bank Borregaard	110 91	+3.5	Cheung Kong	H.K. \$	O_30	Moley Renking
05 51 <sub>2</sub> 23 <sub>4</sub>	4.15 75½ 30	Moulinex	108.5 305.8	+1.3 +5.3 +1	Creditbank Elkem Kosmos Norsk Hydro Storebrand	108 500	+0.6	Casmo Prop Cross Harbour Eastn Asia Nav	2,75 10,30 6.50	+0.10	Malay Brew OGBC Pan Elect Sime Darby
778 778	541g 1712 55g	Peugeot-Cit Poglain Radiotech	268.8	-2.2 +2.4 -2.7	Storebrand	670 147.5	-15 +2.5	Eastn Asia Nav. Hong Sen Bank. HK Electric HK Kosrloon Wh.	139 6.65		Straits Trdg
2	1	Bedoute :	490 -	_1	_			HK Land	15.50 24.00	+0.10 +0.20	SOUTH AFRICA
3 <sub>4</sub> 3 <sub>4</sub>	12 81 <sub>2</sub> 363 <sub>4</sub>	Rhone-Poulenc Roussel-Uclaf St-Gobain Skis Rossignol	266 138 1.040	+5.5 +1.3 +30	SWEDEN		· .	Hutchison Wps	9.90 19.50	-0.05 +0.20	Feb. 19
5g	1554 131a	Suez Telamech Elect Thomson Brandt	. 264.5 j	-2.5 +99		Price Kroner	+ or	New World Dev. O'seas Trust Bk. SHK Props	5.50 20.60	+0.98	Abercom
ie ie	5514 53 29	GERMANY	220.0		AGA	119.;	_5 _5	Swire Pac A Wheel'k Mard A Wheel'k Mariti's	4 00	-0.10 -0.05 +0.10	AE & Ci
lg	343 <sub>4</sub> 79		Price	+ 01	Atlas Copco	69.	~1,5 -4	JAPAN	}		Currie Finance
54					Electrolux	103		Feb. 19	Price Yen	- 1	De Beers
. Eg	125 285 184	AEG-Telef	148,30 127,50 947	+0.50	FagarstaGraenges	105	<b>—</b> 5	Alinomoto Amada Asahi Glass	518	-2 +2 +4	FS Geduid
75	3814 3.75	Bayer-Hypo Bayer-Verein BHF-Bank	278 194.00	+3.0	Moroch Dom Saab-Soania Sandvik	116 82.5	-8 -1.0	Caron	850	+15	Nedbank
56	28	BMWBoveri	168 308.0	+5.0	Skandia	236 125	-2 -1	Citizen Daiel DKBO Bis	- 390 - 390	+30.	OK Bazaers 1- Protes Hidgs Rembrant Rennies
, ÷		Conti Gummi Dalmier Benz Degussa Demág	52 265.0	+5.0	St. Kopparberg Sven Handelson	183	-4   -1	Dai Nippon Ptg. Daiwa House Daiwa Selko	290	+ <u>1</u> }	Rust Plat!
		Demag D'sche Babcock	245.0 185 274.0	-0.5 +1.0	Tandstik Uddehoim Volvo		-2.5	Daiwa Salko Ebara Eisal Fuji Bank	887. 1.010 412		SA Brews SAPPI Smith CG Sugar, 1:
ice	+ or	Deutsche Bank DU Schult Dresdner Bank	264.40 149.0	+0.90				Fuji Bank Fuji Film Fujisawa Fujitsu Fanuca Green Cross	515 265 240	_5	Tiger Oats
36 36		Dyck Zement GHH Hapag Lloyd	141 216.50	+0.4 +3 +8.0	SWITZERLAND	•		Green Cross Hasegawa Heiwa Ri Est	529		Financial Rand
09 j '	77	Hapag Lloyd Hoechst	78.5 185.6	+0.5	Feb. 19.	Price	+or	Hitachi	261	1	(Discount of
38 49	_1	Hoechst Hoesch Holzmann (P) Horten	400.0	4.5	Alusuisse	. Frs.	+15	Honda	615 735	Ŧ0	BRAZIC
	. [	Karstadt	239.0	+6.80 +0.5 +0.6	Brown Boverl	1,870 1,245	_10 _5	Honda Honda Honda Hoya Hoya Hoya Hoya Hoya Hoya Hoya Hoy	580 1,380	-40 -10 -10	Feb. 15 P
SOU!	pa	Kaufhof	191.5 227.0	+1,5 +6.5	Credit Suisse	2,455 2,375	+20. +6,	JACCSJAL	450 580	-18 +20	Feb. 15 P
	+ or	Krupp Krupp Linde	68 826.0	+0.5	Hoff-RochePtCts	63.600	+500	Kajima Kao Soap Kashiyama	- 28I	+1	Banco Itali
	<del></del> -1	Lufthansa	75 201 0	+1.5	Interfood Jelmoli Landis & Gyr Nestie	5,400 1,400	+50 -10	Kikkoman,,,	383 407	+3	Petropras PP
100, 198;	-12 l	Mannesmann Mercedes Hig Motaligessell	279,8	77,5	Nestie	3,520 2,850	-15 +10	Karina - H	190		Unip PE
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#### Woolmen still on strike

MELBOURNE-About 450 woo! industry storemen employed here and in Sydney have decided to remain on strike, although their colleagues in other centres will return to work Federal Storemen and Packers Union general secretary Simon Crean has

The striking storemen will be supported by a levy imposed on those who return to work, Mr. Crean added.
Mr. Crean said the Melbourne

storemen will meet again on February 26 and those in Sydney on March 19 to reconsider their action. Storemen returning to work

will impose working restric-tions in support of the dispute, including an overtime ban, he An Australian Wool Cor-

poration spokesman said wool sales, cancelled again this week by the dispute, are unlikely to resume before

The strike started about four weeks ago when the Australian wool selling brokers employers federation decided to appeal a wage award made to the men by the Arbitration Commission The Commission last week

reduced the award to an \$A8 increase on weekly rates from the earlier award of between \$A12.50 and \$A15.90.

The decision sparked further industrial action, including an immediate renewal of the strike hy Sydney and Melbourne storemen who had resumed work pending the commission's judgment

#### Big crop forecast for Barbados sugar

- By Tony Cozier in Barbados IN SPITE of a shortage of labour. Barbados expects to produce its biggest sugar crop in recent years in 1980, according to the Sugar Producers

Following favourable rainfall in 1979, the crop is expected to yield 125,000 tonnes compared with 101,000 tonnes last year and 95,000 tonnes in 1978.

Before the harvest began a fortnight ago, the Sugar Producers Association appealed for 3,000 workers to assist in the reaping and reported yesterday that over 800 were still needed,

### Speculative selling hits markets again

BY JOHN EDWARDS, COMMODITIES EDITOR

The re-opening of the U.S. commodity futures market after the one-day closure to mark Washington's hirthday unleashed a new burst of speculative selling in both Britain and the U.S. Those markets with the highest speculative participation were hardest hit. World sugar prices slumped again. The London daily price for raw sugar was cut by £15 to £235 a tonne in the morning. On the futures market the May position dipped to £248 before rallying to close at £253.875 a tonne, still around £9.50 below the previous The market was unsettled by the prospect of further releases of special reserve stocks by the International Sugar Organisation, announcements several producing countries, including the Dominican Republic, that they were planning to start selling.

Natural rubber prices, which recorded sharp gains on Monday, moved in the opposite direction yesterday. The No. 1 R.S.S. spot price was cut by 5.25p to 79p a kilo. The futures market fell the permissible limit down. The April/June position eventu-ally closed over 7p lower at 85.80p a kilo.

There was a sharp sell-off in the cocoa futures market too. After trading quietly at higher levels in the morning, the market was suddenly hit by a wave of speculative selling. As a result, the May position, which had reached £1.485 at one stage, fell back to close at £1,428 a tonne. £44.5 down on the previous

There was a similar pattern in copper on the London Metal Exchange. The market opened on a firm note, but later came back sharply as New York prices fell the permissible limit of 5 cents down. Cash wirebars closed £36.5 down at £1,270 a tonne

### Copper pact talks urged

that a conference should be convened to negotiate an inter- under Unctad auspices. national copper agreement. But Canada and Japan said this would be premature because they were not convinced the proposed accord would bring the desired results.

The nations were discussing proposals at a five-day, 40-nation group meeting under the auspices of the UN Conference on Trade and Development (UNCTAD) for a three-stage approach to an international duce international stocking copper pact spread over six

The proposals, were put forward by the meeting's chairman, Sirman Widiatmo of

bringing copper supply and producer, said it backed the further cuts to 135 cents.

discussed for nearly four years

The discussions are part of an Unctad integrated programme for drafting stabilisation agreements for leading commodities, to protect export earnings of Third World producers. Under Mr. Widiatmo's pro-posals, the first of three pro-posed stages would set up

machinery for systematic consultations and data collection. The second stage would introsystems, and the third would include supply management or supply rationalisation.

Discussions on methods of conference. Zambia, a major

GENEVA - Peru urged here demand into balance have been chairman's proposals. Norway, Sweden and Finland also declared their support.

Chile, another leading copper producer, said it agreed with the first step of the chairman's three-stage approach but guidelines on the essentials of the pact would have to exist before a negotiating conference was convened.
Hungary, as a consumer, said prior agreement on important issues would be necessary before proceeding to a conference. China described the chairman's proposals as positive and con-structive, but added that they would have to be revised in some

• Another round of U.S. copper price cuts started yesterday. As Mexico said the group pessessed all the technical details it needed to convene a from the all-time peak of 145 cents a pound, others announced

### USSR charterers seek grain ships

the London freight market look-ing for bulk carriers of 25,000- and lead to drastic rate declines. Mr. Scott noted then 50,000 tons on timecharter to carry grain from Argentina to both the Baltic and Black Sea coasts of the USSR in ealy March, shipping brokers said.

The Soviet Union also has requirements for similar vessels in the Far East in March to load Australian grain.

Market spokesmen say several vessels have already been booked for the Australian business, but details have been with-

This is in sharp contrast to

fell about \$2 per ton for transatlantic grain, but have now

LEAD.—Down along with claer metals. After trading at £501 on the pre-market forward metal tell away in line with copper to touch the day's low of £484.5 before closing the late Kerb at £488.5. Turnover: 10,525 tunnes.

LEAD | Official - Unofficial -

£498, 97, 98, 97. Kerb: Three months £496, 95, 96. Afternoon: Cash £498, three months £488, 87, 85, 89, 90, 91,

10/16e months 1486, 87, 85, 89, 89, 81, 82, 91, Kerb: Three months £493, 95, 92, 91, 90, 89, 88, 29
ZINC—Lost ground. Forward metal moved up on the pre-market to touch £410 following fresh buying but there-

after came under Dressure owing to the

held steady around the £950 level for

Alumin'm a.m. + or p.m.

of the morning but fell back to

3 months 496-7 -1 S'ment 504.5 -2.5

491.2 -2

•50

further strengthening in rates, The Australian Government plans to review its grain sales to the Soviet Union in May, Senator Doug Scott, Minister for Special Trade Representatold the Australian tions. Parliament.

He said the review would be broker's predictions immedi- made about two months before ately following the U.S. embargo delivery ended in July of exist- Japanese Government will be market conditions for silver is since factories are not operating on grain to the Soviet Union that ing grain contract, representing able to buy 300,000 tonnes of vessels already on timecharter 2.26m tonnes. "There are no extra U.S. grain,

Soviet charterers have entered to Soviet charterers would be embargoes on grain sales to the

Mr. Scott noted there had In the event, rates initially been no change in the Australian Government's undertaking not to replace any of the 17m recovered to levels ruling before tonnes of grain withdrawn from the embargo. The latest Soviet sale to the Soviet Union by the move might well bring about a U.S.

Tokyo, the Japanese In Ministry of Agriculture Forestry and Fisheries has asked three leading Japanese trading houses to buy 700,000 tonnes of extra U.S. grain to show Japan's support for the U.S. ban on grain shipments to the Soviet Union.

Minister Kabun Muto said the

fell further in late kerb trading as selling pressure continued.

ing session at £1,323. Values

One cause of the selling was news that workers at the Toquepala mine in Peru had decided not to go on strike, as originally planned this week, although it was later assounced they would back a general strike being called.

But the main reason appears to have been a general decision by speculators, influenced by the downward trend in precious metals, that commodity prices have been pushed too high in recent months and the time is ripe for profit-taking.

#### Bank sees strong silver demand

By John Wicks in Zurich

DEMAND FOR silver is again likely to exceed supply this year, according to a study published by Credit Suisse in Zurich. The bank expects the supply deficit to be about 10m oz. as compared with 30m oz in 1979.

Mine output of silver is seen as rising slightly in 1980 to around 280m oz, as against 272m oz last year and 262m oz in 1978. Scrap production, however, which fell from 168m oz in 1978 to 158m oz in 1979, is expected to fall further to 148m oz.

demand Industrial estimated at 405m oz this year and coinage 33m oz.

While both these figures are down on the respective con-sumption totals of 425m oz and 35m oz calculated for 1979, they still exceed the production

Credit Suisse says it seems unlikely that there will be a repeat of last year's unprecedented boom. The price is seen as having reached a level which makes it sensitive to profit-

The market is said to be increasingly dependent on largescale purchasers for whom such outside factors as political developments, the oil market, inflation prospects and alternative investments are important, therefore, the bank believes that a calming down in the hectic hardly to be expected in the foreseeable future.

**CALIFORNIA TOMATOES** 

### Mechanisation may spell the end for small producers

BY MARK BLACKBURN IN SAN FRANCISCO

possible without the other

industry is on the verge of a rationalisation which some observers believe could elimi-nate all independent canners and the growers who supply them.

Together the small canners and their suppliers represent about 15 per cent of an industry which produces such staples of the American diet as tomato soup, ketchup and spaghetti sauce, as well as canned tomatoes. Their colective losses are expected to reach about \$200m (£87.09m) in 1979. The reason for their

threatened elimination is the ever-increasing productivity of an industry for whose product domestic demand has levelled off. Although dominated by multi-national corporations like H. J. Reinz, the U.S. market is self-contained and little is either imported or exported.

With foreign markets thus virtually sealed off, unlike those for wheat and cotton, marginal producers have little choice but to abandon the growing and processing of tomatoes.

For the time being, many are hanging on, hoping that a crop failure will make their output needed. But times have changed. "I would say most of them are going to be out in a year." says Eric Thor, an agricultural economist at the University of California at Berkelev.

tomatoes grown in America, and away from the Teamsters enhance the prospects of a suit they are one of that state's top 10 crops in terms of value. Last

THE U.S. tomato-processing year about \$2,300m changed farmworkers' jobs which the hands in the industry as a whole.

In spite of the large sums of money involved, no more than University harvesters abolished, accuses the University of California of actof mechanical harvesters which Should the farmworkers prevail. have emptied the fields of the university could be obliged hordes of largely Mexican to halt dozens of projects aimed ickers.

at mechanising the currently
The harvester was developed labour intensive harvest of by the University of California lettuce, grapes and other com-along with a thick-skinned modities. Ultimately, such tomato which can survive machine-picking. The two were

machine-picking. The two were developed together: neither is altogether. Any court decision is at least However, it is not machine harvesting but the prolific and year off, however, and the suit must first survive a hearing set for January 23 to determine reliable nature of the harvest, thanks to the new breed of if it should be allowed to go

tomato, which has made some growers excess to requirements. ahead. In the meantime, the prin Those who are forced out of ciples on which it rests have received a hoost from the U.S. business will be left with perhaps \$500,000 of specialised Secretary of Agriculture, Mr. Robert Bergland, On a recent and-domestically, at least-unsaleable equipment on their visit to California, Mr. Bergland hands, including harvesters for said his department would no which farmers have usually paid about \$150,000 each. The rationalisation of the industry longer help to fund the development of machines which, like the tomato harvester, climinate large numbers of jobs. will also leave it firmly in the hands of the multi-national cor-

Although the Agriculture Deporations and of farmers' copartment is only a minor source of such funds for the Although the trend seems has University of California, Mr. come from a public-interest lawsuit by a group called California
Rural Legal Assistance. This
body was instrumental in
securing passage of a state law
that allowed Cesar Chavez's

The anticipated failure of

California produces about 85 United Farmworkers to take small canners and growers over per cent of the processing organisation of field labour the year ahead may further whose outcome now seems un The suit, aimed at preserving certain,

### State aid for Danish farmers

Union.

irresistible,

BY HILARY BARNES IN COPENHAGEN

day announced a plan to provide same period. financial assistance to farmers whose heavy indebtedness is bined with only small increases changed wealth taxes mean and 2,000 farmers are expected to utilise the scheme.

Rapidly rising costs com- on the farmers. In addition,

resistance

forcing them into bankruptcy. In prices, have put a severe many farmers, though not those A Minister of Agriculture, Poul Dalsager, said that the who are also badly affected by government guarantees, will State will provide guarantees who are also badly affected by government guarantees. Will for 80 per cent of loans up to DKr 500,000 (£40,000), within a total framework of DKr 700m. He said that between 1000 who are also badly affected by government guarantees. Will find themselves with tax bills in excess of income. Window Mr. Dalsager said vesterdent to 13 per cent on Mander. on both long and short term that livestock production was loans to 18 to 19 per cent. maintained. It was therefore

THE Danish Government yester- agricultural building in the which the farmers had expected by imposing a special land tax

The offer will only apply to Although the government desirable to give farmers in farmers who have either set up devalued the Krone on financial trouble an opportun 1974 or since, or who have November 30 by 5 per cent, it tunity to consolidate their made heavy investments in recouped most of the gains financial position.

#### **BRITISH COMMODITY MARKETS**

COPPER-Fell heavily on the London Maral Exchange. Forward maral opened at £1,330 and moved up to £1,343 during the morning as speculative buying easily mat modest trade salling. However, a sharp fall on Comes, which later wen't limit-down, brought out heavy speculative selling which in turn transfer of heavy stoppings selling and depressed forward metal to £1,280 prior to a close on the late Karb of £1,285. During the late inter-office trading the price tall further to around £1,275.

COPPER	a.m. Official	+ or 	p.m. Unofficial	+ 0
	8	£	₽.	4
Wirebare Cash	1321-5	, + 10	1269.71	-36.
3 months Settlem't	1325-7 1323	÷ 11 ;+ 16	, 1287-8 	-57
Cathodes Cash	1255-60	: !—1	1217-22	38
ă monthe Settiem't	1289-90	1 	. 125 <b>2</b> -5	59
U.S. Prod		<u> </u>	1138-46	<u>ښو ا</u>
Amelge	mated Me	stal 7	reding rep	orte

that in the morning cash wirebers Traded at £1,325, three months £1,335, 34, 33, 35, 36; 38, 39, 40, 39, 41, 40, 39, 38, 27. Cathodes, cash £1,260, three months £1,266, 92, 90. Kerb: Wirebars, three months £1,332, 31, 30, 

ing the moraing to touch £7.500 owing to hadge selling. However, in the attempon a downturn in sterling, coupled with the U.S. buying on the Kerb litted the price to around £7.640

אוד	a.m. Official		p.m. U <i>noffici</i> a	+-
High Grad	de £	£	·£,	£
Cash	7410-20	10	7460-70	+6
& months	7510-30	+ 10	7570-85	+77
Cattlem4	7480	16		1
			_	1
Standard		۱ ೄ ۱	8458 88	
Cash	7410-20	<b>29</b>	7450.70	+ 8
3 moπths	7610-20	+ 10	7570-5	+77
Settlem t	7420	19		
Straits, F.	<b>\$\$2337</b>	í + 16 ¹		
NewYork		1	i	
RAWTORK	_		,	

Morning: Standard, cash £7,410, three months £7,510, High Grade, cash £7,410. Kerb: Standard, three months £7,500. Altemoon: Standard, three months £7,550. 70, 80, 70, 80, 70. £7,590, 7,600.

I.G. Index Limited 01-351 3466. Three month Copper 1280.2-1290.8 29 Lamont Road, London SW10 0HS. Tax-free trading on commodity futures.
 The commodity futures market for the small investor.

### CORAL INDEX: Close 457-462 (-4) **Conti**Commodity

DAILY LONDON REPORT ON

GOLD, SILVER AND CURRENCIES

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We adopt our methods to each student, that is why CERAN is more than a school, it is a way of LEARNING. idal lessons or in small proups. at Prench of specialized French. nch of specialized and intensive tra Wenday and weekend INTENSIVE training courses, aster and Summer estations for adolescents in another Continuous contact with the backers. Miscosine practice and application waything to "French" from early morning until bediting Château CERAN

COGOA		+ or	Business Done
arch	1412-15	-38.0	1463-10
	1487-29	-44.5	1485-25

zing Official - Unofficial -London coffee futures opened slightly higher in mixed dealings and thin Cash......; 391.5 —1 379.5-88.5 —11 3 months; 402.3 —1 389.5-90.5-12.5 Smart..... 593 —1 -57.8 ..... Morning: Three months (409. 8, 7, 6, 7, 5, 4, 3, 2, 3, Kerb; Three months (501. A) months; Three months (501. A) months; Three months (501. A) months; Three months; 501.

COFFEE	esterday Close	+ or	Business
£	per tonn	 e	Done
March			1494-79
July	1553 5	5.4 8.0	1534-28 1555-47
Sept		10 + 11.1 15 + 9.5	0;1681-70 1585-75
January	1570 8	90 + 15.9	31570
March		75 <sup>1</sup> + 19,	

NICKEL—Barely changed in quiet trading with forward metal £3,135 on the late Reth after extremes of £3,150 and £3,125. Turnover: 528 transes.

Cents per pound. ‡ SM per picul.
† On previous unofficial closs.
Morning: Three months £3,150, 40,
45, 50, 45, 35. Kerb: Three months £3,140,
30, 25, 35, 30. Kerb: Three months £3,140,
50, 25, 35, 30. Kerb: Three months £3,140,

SILVER Silver was fixed 5.95p an ounce lower for spot delivery in the London bullion market yesterday at £15.5145. U.5. cent equivalents of the fixing levels ware: spot \$35.35, down 40c; three-month \$55.824, down 48.3c; and 12-month \$35.711, down 48.3c; and 12-month \$35.288, down 46.3c. The metal opened £15.30-15.55 (\$35-35.50) and fell to £14.40-14.75 (\$32.75-33.50) at the close-

SILVER Builton + or L.M.E. per fixing - p.m. troy oz. price Unoffici" Spot ...... 1551,450 -6.8: 1460.0p -87,5 3 months 1581.5p -8.7 1492.5p -85 6 months 1581.5p -11.7

1ME—Turnover 294 (136) lots of 10,000 azs. Marring: Cash 1585, 75, 70, three months 1595, 1690, 1595, 59, 55, 1600, 02, 1595. Karbs: Three 1290 76. Alternoon: Three . 1500, U.S. 1595. Karbs: Three miths 1880, 76. Alternoon: Three miths 1840, 30. 40. 20, 10. 20, 15. 07, 1490, 95. 1500, 1495, 90, 95. 55: Three months 1495, 90, 1500, n 34) 78

I			
arch	1412-15	-38.0	1463-10
BY		44.5	1485-25
ly	1438-40	-50.0	1501-438
P.D	1456-57	-46.0	1513-450
BG	1590.94	-41.0	1542-488
ereb	1510.12	-45.0	1560-15
ay	1530-40	-37,5	
			10 tonnes.

and remained fixed in a £5 range throughout a disappointing afternoon and prices at the close were £8-£20 higher on the day, reports Oraxel Burnham Lambert.

COFFEE	Close	+ 01 1	
£	per tonn	ie.	Done
March		92 + 8.0 34 + 9.5	
July	1553 5	55 + 8.0 30 + 11.0	1 <del>555 4</del> 7
Nov	' 1582-8	35 +9.5 j	1685-75
March	1554	75 <sup> </sup> + 19,5 <sup> </sup>	
Sales: 2,745 ICS Indica	ntor price	s for F	eb, 18:

GRAINS

LONDON GRAIN FUTURES — The market opened 25p lower on old crops and values eased quickly on heavy selling pressure on a good volume being treded on spreads but closed weak on both wheat and berley. New

BARLEY Mar. 95.50 -1.15 94.55 -0.50 May. 100.15 -1.10 99.10 -0.55 Sept. 95.10 -0.15 92.75 -0.10 Nov. 99.05 -0.10 96.85 Jan. 102.90 +0.05 100.75 +0.10

Imported—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Fabruary 36.25, March 97.75 transhipment East Coast. U.S. Herd Winter 131, per cent February 93.25, March 94.50 transhipment East Coast. Malze: U.S./French February 116.25, March 117 transhipment East Coast. Berley: English Feed fob February 99.50, March 101.50, April 103.50, April/June unquoted. Rest unquoted.

WOOL FUTURES LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, businesy, seles). New Zealand cents per kilo: May 395, 400, 400-388, 7: Aug. 410, 411, 410, 5: Oct. 413, 415, 416-415, 5: Dec. 415, 417, 419, 5: Jan. nil: May 420, 428, nil, nil; Aug. 422, 430, nil, nil: Sales 25.
SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March

COCOA

Although a little steadier at the opening futures plunged sharply during the atternoon session and closed at the lows some 650 below Monday evening. Producers were tooking to self at levels only margurally above the highs of the day, but on the decline some consumer interest was renewed for both cocea beans and products, reports Gill.

signiy easier, with many speciations injudicating terminal positions throughout the day, and closed on a weak note. Lewis and Peat reported a Malaysian godown price of 381 nom. cents a kg (buyer, March).

Sales: 1,195 (716) et 15 tonnes. Physical closing prices (buver) were

Yest rd'y for Business Close Done

SUGAR

LONDON DAILY PRICE (raw sugar): 1235.00 (1250.00) a tonne cil for Feb : March-April shipment. White sugar daily price was £252.00 (£277.00). Reports that the Domelican Republic

Sales: 8,504 (9,762), lots of 50 o. 4 CONTRACT—Close (in order No. 4 CONTRACT—Close (in order buyer, seller only). May 257.00, 259.00; Aug. 258.50, 263.00; Oct. 250.00, 253.00; Jan. 240.00, 257.00; March 259.00, 261.25; May 259.00, 261.25. Sales: 168 (1.096).

JUTE JUTE February/March C and F Dundes: BWC 2221, BWD 2190, BTB 2272, BTC 6240, BTD 2368. C and F

272. STC (240, STD (208. C and F Antwerp February/March: BWC \$491, BWD \$421. STS \$610: STC \$521, STD \$452. Jute goods February C and F Dundes: 40 in 10 oz E15.74, 40 in 7.5 oz £12.08. "B" Twills £33.87. Heasters nominal prices only in view of the imposition of export duty of RS 1.000 per tonne.

Piatin'mtr'y oz £188.0 ......... £189 Free nkt...... £384.95 ........ £386.40 Quicksil'yer' .... \$400/410...... \$350/410 Silver troy oz... 1551,45p -5.95 1821.90 5 months ... 1581.5p -8.7 1840p

Tin Cash. .... £7,465 +65 £7.615
3 mtha..... £7,572.5 +77.5£7.505
Tungsten22.04% £138.72 ..... \$158
Wolfrm22.04% £138.144 ...... \$148.144
Zinc cash .... £380 -11. £339
3 months ... £390 -12.5 £354.5
Producers ... \$825 ...... \$780,825 onut (Phil), 5840r -5 \$925 Groundnut ...... Linaced Crude. £446 Palm Malayan. 5670s

Barley Futures £99.10 -0.56 £96.70 French No3AM ±116.25 ...... Wheat
No. 1 Red Spg. 1
No. 1 Red Spg. 1
No. 2 Hard Wint. 193.25
Eng. Millingt. 1 Other

Other commodities
Cocos ship.t... £1,465
Future May. £1,428
Future May. £1,428
Cotton A.index 96,636
Rubber (kiko). 791
Sugar (Raw)... £235
T March ... £235

T March ... \$June t March-April. u April. w May x July. 2 Indicator. § Buyer, † Fer 76 ib flask.

poor. Prices at ship's side (unpro-cassed) per stone: Shelf cod E3.30-£4.00, coolings E2.20-£2.50; Large had-dock E3.00-£4.20, medium £3.00-£4.00; Large plaice £3.30-3.70, medium £3.00-£3.30, best small £3.00-£3.30; Skinned doglish £3.50; Lemon soles £3.50; Rock-fish £2.50; Reds £1.70-£2.10; Saithe £2.30-£2.60. COTTON

than retail buying. Activity ranged over certain North American supplies, with occasional support in Turkish **MEAT/VEGETABLES** 

LIVERPOOL—Spot and shipment sales amounted to 30 tonnes bringing the total for the week so far to 375 tonnes. A sudden drop in demand caused limited operations and no more

#### AMERICAN MARKETS PRICE CHANGES

NEW YORK, February 19.
THE RAISING of the discount rate continued to have its effect on the market. Limit declines in gold, silver, copper that declines and coroal were the 40.50 July 42.05 Aug. 41.70-41.50, Feb typical reaction to the restrictive move 51.70, March 52.10, May ——. July typical reaction to the restrictive move by the restrictive move by the Federal Reserve. The one single experience was colled, where producer support led to major gains. Groins and scyabeans solid off sharply as commercial interest. The pork some the best sellers. The pork some the best sellers. The pork some the death of support led to the pork some the best sellers. The pork solid off support led to the port solid of the pork solid off support led to the port solid off suppor complex headed lower on lact of support from products while the cattle complex scored good gains on chart and technical buying, reported Heinold Potatoes (round whites)—March 53.6 (54%). May 1274 0, April 55.5 (6) (55 5), May 63 3- (53.5), April 55.5 (5) (55 5), May 63 3- (53.5), April 55.5 (5) (6) (5), May 63 3- (54.6), April 55.5 (6) (6) (7), April 55.5 (6) (6) (7), April 55.5 (6) (6) (7), April 55.0 (7), April 56.0 (7), April 56.0 (7), April 56.0 (7), April 4174.0, June 4234 0, April 4174.0, Jun Silver—Feb. 3050.0-3100.0 (3580.0), March 3500.0 (3600.0). April 3540.0, May 3885.0 July 3555.0, Sent 3755.0, Dec. 3802.0, Jan. 3828.0, May 3828.0, July 3978.0, Sent 4028.0, Dec. 4098.0. Sales: 5,000. Handy and Harman bullion spot 3325.00 (3465.00).

Sugar—No. 11: March 21.50-21.85 (25.44), May 25.80 (26.80), July 26.65 Sept. 27.04, Oct. 26.99, Jan. 26.80 March 26.97, May 26.70, July 26.55, Seles: 8,355 805.00-807.00 asked (800.00-CHICAGO. February 19. (114.30 Lard—Chicago loose 19.75. New York 199.50 Prime steam 21.25. Live Cattle—Feb. 68.70-68.90 (68.52). SWho 173.35. Aug. 72.70-72.00. Oct. 71.75-73.10 Peb. 72.75-73.10

73.10 Live Hogs—Feb. 38.15-38.10 (38.40), April 37.45-37-35 (37.60), June 40.80-40.85, July 41.75-41.70, Aug. 41.55-41.45, Oct. 41.00-40.90, Dec. 43.40, Feb.

27,30-23 85 Aug 24 15, Sept. Qct. 24 65-24 55, Dec 24,80, Jan. March 25 25-25.30, May 25.60-25.55 1Wheel-March 440-433; (446%), May 455-452; (4594), July 4574-458, Sept. 4694-470, Dec 4864-487, March When SCWRS 10 A SWheat—SCWRS 13.5 pt tercen Sw3; Swheat—SCWRS 13.5 per cent pro-lein content cif St Lawrence 229.45 (231.25). All cents per pound ey-warehouse

Jan \$204.50, Feb. \$312, March \$310.75

sellers. Brazil Yollow Faq. Unquoteo. Argentine May \$277. June-July \$280.50.

Argentine May \$277. June-July \$280.50. July \$283. Aug. \$286. September U.S. affoot \$238. Feb. \$237.50. March-April-May June \$227. April-Sept. \$240. Nov. March \$256. Brozd Pellets Feb. \$254. March \$244. April-May \$241. April-Sept. \$245. 50. PARIS, February 19. Pages /FFc der 100 lules)—March

DOW JONES

Dow Feb. Feb. Month Year Jones 15 14 ago ago

Sect ... 459.71 467.30426,66382,56 F'tur's 468.04 470,82435,79381.05

(Average 1924-25-26 = 100)

#### unless otherwise stated. \*S per troy punce. \$\footnotermise stated. \*S per troy punce. \$\footnotermise per 56:ib bushel. † Cents per 60:ib bushel. † Cents per 60:ib bushel. † S per short ton. \$\footnote{2}\$ (2,000 lbs) \$\footnote{3}\$ 45.40, April 45 12. ##Maize-March 2697-26912 (27014). EUROPEAN MARKETS

ROTTERDAM, February 19. Wheat—U.S. No 2 Dark Hard Winter, 13.5 per cent, Feb. 5196, March 5198. U.S. Hard Winter ordinary unquoted U.S. No. 2 Red Winter Feb. 5185. u.s. no. 2 Red Winter Feb. \$185. March \$197. U.S. No. 2 Northem Spring, 14 per cent, Feb. \$203. March \$206. April-May \$196. May-June \$196. June-July \$199, July-Aug. \$201 Maize—U.S. No. 3 Com Yullow affnat \$130, Feb. \$130, March \$134, April-June \$140. July-Sept. \$145.50. Oct.-Dec. \$149 sellers, March \$132.75-\$133 traded.

PARIS, February 19.

Cocca (FFr per 100 Files)—Merch 1300-1320, May 1322, July unquoted. Sept. 1368, Dec. 1370, March 1366-1380, Sales at call 3 Sugar (FFr per 100 kilos)—May 2312-2316, July 2315-2330, Aug. 2330-2540, Oct. 2340-2350, Nov. 2340, Dec. 2375-2324, May 2325-2340, Per 2340-2350, Nov. 2340, Dec. 2375-2324, May 2325-2340, Per Soyabeans—U.S. Two Yellow Guil-borts Feb. \$267. March \$269. April \$274.75. May \$277.50. June \$284.50. July \$288.25. Aug. \$290. Sept. \$282.75. Oct. \$295, Nov. \$294, Dec. \$300.75. 2385, March 2335-2410, May 2395-24.30. Sales at call 38.

FINANCIAL TIMES Feb. 18 Feb. 15 M'nth 290 Year ago 308,70 309,26 305,55 268,03 (Bass: July 1, 1952=100)

INDICES

MOODY'S Feb. 15 Feb.14M nth agolYear ago 1447.5 1459.7 1513.2 1045.7

REUTERS Feb. 19 Feb. 18 M nth ago Year ago 1799,6 1821.2 1767,6 1546.0 (Base: September 18, 1931 ≈ 100)

MEAT COMMISSION—Average fatstrock prices at representative markets
on February 19. GB cattle 79.55p per
kg lw (-0.17). UK shaep 148.0p per
kg lw (-0.17). UK shaep 148.0p per
kg lw (-1.3). GB pigs 63.6p
par kg lw (-1.3).

SMITHFIELD—Pence per pound. Beaf:
Scottish killed sides 64.0 to 68.0; Eire
hindquarters 88.0 to 72.0, forequerters
47.0 to 50.0. Veal: English fats 74.0 to
83.0; Dutch hinds and ends 98.0 to
104.0, Lamb: English smell 54.0 to
35.0; Small 66.0, medium 50.0 to 60.0,
52.0, "small 66.0, medium 50.0 to 60.0

teory Coast. Each 12's 0.50-.50, 5's 1.00-1.10, S. Alircan 6.9's 2.50-2.70 Onions—Spanish: 4 50-6.00; Dutch: 3.00; Canadian: 50-lb 3.80. Tomstoss— Onions—Spanish: 4 5.80. Dutch: 3.00. Canadian: 50-16 3.80. Tomatoes—Canary: 2.60-5.00. Bananas—Jamaican: 26-16 0.18 Lettuce—Dutch: 24's 2.80'- French: 1.20 Cucumbers—Canary: 14/18's 2.80-4 20. Capsicums—Canary: Per pound 0.32-0.35; Cuban: 0.30.

Live FRENCH

pages: 4,047 (1,044) lots of 10 tonnes.
International Cocoa Organisation:
Prices unavailable due to Tuesday's
U.S. holiday. COFFEE

higher in mixed dealings and thin volume before consolidating in the recent price range during an exceptionally quiet morning session. Despite some erratic fluctuations in the "C" Contract market London failed to react 50. 7. 3, 4, 5, 2. 3. Kerb: three months 1395, 93, 90, 92, 91, 89, 88, 90, 89, 90, 91, 90, 88, Kerb: Three months 1390, 88, 87, 89.5, 90, 89.5, 88, ALUMINIUM Essier, reflecting the sharp declina in copper, Forward matal

Business done—Whest: March 96.45-95.90, May 100.30-100.15, Sept. 95.30-95.10, Nov. 99.10-98.95, Jan. 102.90-102.85, Sales: 456 lots of 100 tonnes. Sarley: March 94.90-94.55, May 99.30-99.00, Sept. 92.80-92.70, Nov. 96.95.96.75, Jan. 100.60-100-65, Sales: 438 lots of 100 tonnes. Imported—Whest: U.S. Dark Northern Spring No. 2 14 pag teent Fabruary

slightly easier, with many speculators

No. 1 'Yest'rdays'Previous Business

SOYABEAN MEAL

. The London market opened around unchanged and remained thin and quiet all day, reports T. G. Roddick. Despite a wester sterling, prices remained unaffected and the market 

Sales: 27 (8) lots of 100 tonnes

Reports that the Dominican Republic was inviting bids for their special stocks release of 63,503 tonnes produced a sharply lower opening. May fell to C248 before support was uncovered and prices recovered £10.00. Thereafter buyers/sellers appeared well matched in good two-way trading conditions, reports C. Czamikow.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £318.50 (£344.50) for export.

### Leading equities unable to hold early gains and index closes slightly lower-Gilts retreat after firm start

Options
\*First Declara- Last Account Dealings tions Dealings Day Mar. 10 Mar. 20 Mar. 21 Mar. 31 Feb. 11 Feb. 21 Feb. 22 Mar 3 Feb. 25 Mar. 6 Mar. 7 Mar. 17 Mar. 10 Mar. 6 Mar. 7 Mar. 17 Mar. 10 Mar. 10 Mar. 17 Mar. 10 Mar. 17 Mar. 17 Mar. 18 Mar.

follow-through would slightly less pessimistic view of the UK industrial situation and accordingly opened prices some pence higher. For similar cheaper at 305p awai reasons, the market in Gilt-edged preliminary results. securities began firmly.

for most of the session, however, and a few sellers began to appear in a subdued trade despite the Chancellor's optimism about the chances of a fall in interest rates. ICI were singled out by profittakers after Monday's good rise and the setback here of 5 to 395p tended to affect sentiment in other leading shares.

Isolated pockets of speculative activity relieved an otherwise tedious market session and, once again, the Oil sector attracted an above-average interest with Burmah and Ultramar the main interest with targets of attention. The FT 30-share index reflected yesterday's change in the trading pattern, being 3.6 up at 10.00 am and unchanged at 3.00 pm before closing a net 1.2 down at 461.8.

British Funds initially shrugged off recent anxieties about the upward pressures on U.S. interest rates and picked up ments on domestic interest rates encouraged some investment support but thoughts later returned to the U.S. and reports, later confirmed, of a rise in Prime rates to 15] per cent aroused new un-

Longer-dated stocks had gains ranging to about § pared to meagre amounts after the official close of trade. The shorts, which initially benefited from demand emanating from Building Societies and other sources, were sometimes 1 higher at 3.30 pm, but were also looking suspect late

- Recent events in the Rhodesia political scene continued to impart easiness to Southern Rhodesian bonds and the 21 per. Fisons also shed 5, to 284p, on cent 1965-70 issue lost 3 more to £110.

Interest in Traded options remained at a low ebb by recent standards although the 498 contracts completed outnumbered Monday's total by more than 40

average was 1,261. Marks and Spencer attracted a useful business, recording 152 deals, while RTZ were also active with 86.

Discount houses gave ground in the absence of buyers with Dealers in leading shares were Alexanders 7 off at 203p. Clive hopeful early yesterday that and King and Sharson eased 2 apiece to 73p and 65p respectemerge to the small investment ively, while Allen Harvey and demand which sprang up late on Boss shed 5 to 335p. Marked Monday. They also took a higher at the outset, the major clearing banks usually reverted to overnight levels in sparse trading. Lloyds finished 3 cheaper at 305p awaiting Friday's

Insurances recovered from an Investors decided to hold off easier opening to close virtually unchanged on balance.

Firm at the outset, leading Breweries resisted the easier trend elsewhere in equities and closed around the day's best. Bass added 2 to 209p and Whitbread were particularly good, ending 4 better at 134p. Press comment directed interest ending 4 netter at 1979. It was comment directed interest towards Greenall Whitley, 3 up at 169p. Among regional issues, Matthew Brown rose 5 to 143p and Vaux hardened a penny to 151m. The latter despite 151p, the latter despite cautionary comment about the company's sale of its Scottish interests to Allied Breweries.

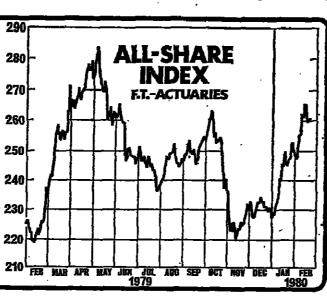
Building descriptions displayed a couple of firm spots in Marchwhich responded to the better - than - expected annual results and property revaluation with a gain of 6 to 88p, after 90p, and Montague L. Meyer, up 5 to 99p on revived speculative demand. Five Oaks put on 21 to the previous evening's firmer 18p; Mr. Peter Bennett has ined his stake in the company to just over 8 per cent. Else-where, Armitage Shanks hardened a penny to 101p, while bidders Blue Circle eased 4 to 300p; Ceramics, which has stated that it does not intend to bid for Armitage, further increased its stake in the latter to 28.6 per cent. Streeters of Godalming attracted support and added 2 to 20p, while Vibroplant firmed 7 to 275p, the latter in a thin market. Brown and Jackson, however, met small selling and shed 5 to 205p and SGB eased 3

> through support and settled 5 cheaper on balance at 395p. outnumbered Croda issues came in for support, 31Sp, also ended a shade better. more than 40 the ordinary hardening 1 to 521p Apart from Tubes, which week's daily and the deferred a penny to 29p. closed 4 to the good at 304p, the

Ernest Jones good

Stores again trended firmer and, although the day's best levels were not maintained, most finished a penny or two above the overnight positions. Mothercare added a couple of pence at 218p, as did GUS "A," at 388p, and Marks and Spencer, at 90p. British Home Stores, however, met selling and shed 5 for a two day fall of 8 at 254p. Outside the leaders, speculative support revived for Foster Bros., 6 better at 106p, and for Harris Queensway, 4 up at 186p. Freemans added 2 to 124p, while continued talk of a shell operation lifted

Engineering leaders gave fresh ground after a slightly firmer trend at the opening. Hawker ended the day with a fall of 6 at 176p, while GKN closed 5 drifted back to close without lower at 258p. Elsewhere, trading much alteration on the day. conditions were extremely quiet and movements were restricted at 125p, after 128p, while Bowater to a few bence either way. Compared with the suspension price of 31p, dealings resumed in Delson at 52p following news of the agreed bid from McKechnie Bros. Scattered buying interest left Rotork and Lake and Elliot 3 higher at the common price of 55p, while Simon Engineering became a better market and Polly Peck a further 11 to 17tp, picked up a few pence to 242p.



almost twice the offer price from Jersey-based Restro Investments. Jewellers Ernest Jones rose sharply following the increased preliminary profits and dividend coupled with the 100 per cent scrip issue and closed 18 to the good at 316p. Excalibur Jewellery firmed 11 to 22p following the interim results.

Still reflecting the profits fore-cast contained in the annual report, United Scientific continued to attract buyers and put on 9 further to 482p. Elsewhere in the Electrical sector, Electrocomponents firmed 5 to 510p and Wholesale Fittings a similar ICI touched 406p in early deal-ings, but drifted back in the were noteworthy for a gain of 4 absence of genuine follow to 56p. Newman Industries to 56p. Newman Industries closed 2 cheaper at 51p; news that the Prudential Assurance had won its court action against lack of interest. Among other the company came well after Chemicals, Dixor-Strand shed 2 market hours. Among the for a two-day fail of 6 to 18p, but leaders, GEC improved to 387p Coalite, at 105p, recouped part of before settling a few pence the previous day's fall of 3. dearer at 383p, while Thorn,

On the other hand, disappointing preliminary results left Drake and Scull a net 3 down at 41p, after 46p. Losses of 2 or 3 pence were also recorded in Braithwaite, 80p, Vosper, 170p, and F. 2

John Brown closed a penny lower at 511p; the price in yesterday's issue was incorrectly shown against Bullough shares which were unaltered at 168p.

Business in leading Foods Improved slightly. Among Super-

#### Wedgwood higher

Inclined firmer at the start, miscellaneous Industrial leaders much alteration on the day. Beecham finished a penny lower ended a similar amount cheaper at 178p. Elsewhere, Wedgwood continued to attract buyers following the third-quarter figures and put on 4 more to 73p. Satisfactory preliminary results left Thermal Syndicate 3 better at 119p, but Elbar encountered selling in a restricted market and gave up 10 to 210p. Polymark firmed 4 to 76p along with ICL, a similar amount dearer at

139p, while Dundonian rallied a few pence to 52p. Still reflecting Press mention, Denbyware har-dened a penny further to 108p. On the other hand, Booker Mc-Connell came on offer and fell 8 to 267p and Applied Computer gave up 5 to 325p.

Motor Compouents recovered most of Monday's losses which stemmed from a gloomy outlook for the Engineering industry. Dowty picked up 3 at 189p, while Armstrong Equipment, 53p, and Associated Engineering, 69p, both added a penny. With the exception of Lex Service, 11 better at 90p. Distributors were rarely overnight positions.

Interest in Properties was confined to selected secondary issues. Warner Estate, a rising issues. Warner Estate, a rising market of late on the annual terest and, in a thin market, put on 18 to 250p. Westminster and Country responded to the sharply with a gain of 5 to 420, but City Offices eased 2 to 84p on disappointment with the preliminary statement. Marier Estates picked up 3 to 48p on small buying in a thin market, but Rush and Tompkins encountered selling and shed 4 to 128p, Business among the leaders was par-ticularly slow and prices barely stirred from overnight levels.

#### Burmah improve

The majority of Oil shares ended markets, J. Sainsbury added 5 the day with small improveto 293p and Associated Dairies ments after a relatively lively
4 to 178p, while Befam firmed 3 trade. Among the more specuto a 1979-1980 peak of 63p, the lative issues, late support took
last-named in belated response

Burman further ahead to close to the acquisition of Fine Fare's with a rise of 5 at 217p. Ultra-freezer food operations for £2.9m mar were also in demand at 493p. cash. Elsewhere, Unigate impus 14, while North Sea Assets proved a couple of pence to 125p jumped 10 to 90p following the while Avana attracted a fresh drilling report. Aran Energy speculative interest and added 3 returned to favour with a gain to 121p.

In Hotels and Caterers, Nortolk Capital firmed 2 to 43p on Monday, reacted 70 to 240p to 121p. of 18 at 370p. By way of con-ln Hotels and Caterers, Nor-folk Capital firmed 2 to 43p on the satisfactory annual results in an extremly thin market fol-large the company's statement and property revaluation. Specu- lowing the company's statement lative favourite Savoy A also regarding a possible farm-out agreement on its North Sea block

29/02. Among the leaders, BP, 402p, and Shell, 374p, both ended the day a few pence harder. Trusts made a mixed showing. Among the firm spots, Atlantic Assets were in renewed demand and put on 4 to 176p for a two-day gain of 10. Awaiting further development on the bid front, Furness Withy

encountered profit-taking and reacted to 365p before closing only 4 down on the day at 373p. Elsewhere in the Shipping sector, renewed speculative support in a restricted market left Stag Line 19 higher at 185p, after

Textiles closed firmer where altered: Lister added 2 to 66p. as did Tern-Consulate, at 73 p. Carrington Vivella, annual results due today, held steady at 174p. but Blackwood Morton remained unsettled by the mid-term deficit and proposed mill closures and shed 2 more to 18p.

#### Magnet up again

The speculative Australian issues provided the main features in mining markets. The Magnet Metals group of companies came In for renewed demand which lifted Magnet 7 to 69p for a two-day gain of 28½, while Lennard Oil rose 9 to 105p and Monarch Petroleum 4 to 43p.

Recent speculative favourites Samantha and Otter moved erratically. Samantha fluctuated between 145p and 161p before closing 9 firmer on balance at 157p while Otter were finally a net 5 up at 130p.

Haomo Gold and North West Mining sprang to life following news that the companies jointly owned overseas subsidiary has discovered gas in North America. Haoma jumped 10 to 45p and

Paringa Mining and Exploration were well supported and closed 13 higher at 78p in front of news that Hampton Areas had acquired a 14.9 per cept stake in the company; the latter were unaltered at 3200.

The Ashton partners moved up reflecting news that a diamond

price offer

LONDON TRADED

FINANCIAL TIMES STOCK INDICES Feb. 15 65.50 65.02 65.97 67.05 66.74 67.07 67.64 67.40 66.88 Fixed Interest ... 66.94 478.9 478.8 463.0 468.0 451.8 347.4 349.7 358.3 358.8 852,5 179. 351.8 7,01 "6,92 7.17 7.18 7.18 5.16 Ord. Dly. Yield. 17.62 17.65 17.22 17.05 17.34 16.10 Earnings, Yid. % (full) 7.11 7.18 7.07 P/E Ratio (net) (\*). ... 6.95 6.94 18,217 18,918 24,628 27,608 26,561 27,674 Total bargains .... 28,35 145.08 198,07 154,04 856.38 88.90 Equity turnover &m 14,501 91,185 22,688 19,198 21,966 16,978 Equity bargains total

10 am 486.6. 11 am 466.5. Noon 464.1. 1 pm 483.4 2 pm 463.1, 3 pm 463.0. Latest Index 01-246 8026.

\*Nil=6.67. Basis 100 Govr. Secs. 15/10/25, Fixed Int. 1928. Industrial Car. 1/7/35. Gold Mines 12/8/65. SE Activity July-Dec. 1942.

HK	ahs a	ND L	.OWS	S.E. ACTIVITY					
·	197	79/80	Since Co	mpilat'a		Feb.	Feb.		
,-	High	Low.	High	Low	- Daily				
Secs.	75,91	63,30	127,4	49.18	Gilt Edged	119,1 111,6	150.1 118.4		

76.0 84.5 Fixed Int., 405.3 558.6 49.4 (16/17) (4/6/79) (29/6/48) Ind. Ord... 360.4 129.9 (18/1/90) (17/9)

pilot processing plant is to be installed at the sixt of the Argyle prospect in the Kimberley region of Western Australia. Ashton Mining put on 6 to 170p and Conzine Riotinto a like amount to 328p, but Northern Mining were unchanged at 144p.

South African Golds showed signs of weakening in the after-hours, business after edging up for most of the day on U.S. and Johannesburg buying.

The afternoon decline in the bullion price — finally \$14 lower at \$648.5 an ounce — encouraged modest selling from America but the Gold Mines index still man-aged a gain of 4.4 to 351.8.

Financials were generally subdued. Among the London-registered Issues, Rio Tinto-Zinc hardened 2 to 460p, but Gold Fields gave up 6 to 510p. In South Africans, Anglo-Vaal were prominent with a gain of £2} at

OPTIONS

Vol.

17

12

UNIT TRUST SERVICE

509p

298p 91p

875p

182p

459p

Vol.

135 15

£18 following a rise in the shares in Johannesburg.
Platinums were quietly mixed.
Impala improved 8 to 320p on
consideration of the sharply increased profits and dividend, but
Rustenburg skipped 4 to 276p and Lydenburg 6 to 180p.

#### **NEW HIGHS AND** LOWS FOR 1979/80

NEW HIGHS (32) CANADIANS (1)

BRITOINGE (3) STORES (T) ELECTRICALS (3) ENGINEERING (1)

FOODS (1) INDUSTRIALS (4) Do, A. MOTORS (1) PROPERTY (3)

McKay Secs. Warner Estate SOUTH AFRICANS (1) Greatermans A Greatermans A
TRUSTS (1)
Transatiantic Market
OIL & GAS (4)
Surmab Ranger Of Burmab Ranger va. Masmet Metals Ukramar Joc OVERSEAS TRADERS (1) NUMES (7)

NEW LOWS (11)

Walker (C. & W.)
INDUSTRIALS (3)
Manch, Ship Cane LEISURE (1) TEXTILES (3)

#### RISES AND FALLS YESTERDAY

### FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

•	EQUITY GROUPS	T	Tues., Feb. 19, 1980					Feb.	Thurs., Feb., 14	Wed., Feb. 13	(approx
Figu	& SUB-SECTIONS  ares to parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yleid % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	index No.	Index No.	ladex No.	ladex No.
1	CAPITAL 600DS (172)	245.57	+0.3	17.80	6.37	7.09	244.72	265.55	258.52	249.88	226.8
.2	Building Materials (27)	238.75	+0.5	16.63	6.57	7.68	237.39	238.70	244.27	243.28	200.9
3	Contracting, Construction (29)	372.75	+8.4	25.25	6.51	4.91	371.40	372.20	375.33	369.28	338.0
4	Electricals (15)	635.90	+0.5	12.72	3.90	10.48	632.70	625.75	642.77	646.77	542.7
5	Engineering Contractors (11)	300.01	+0.1	24.69	8.53	5.16	299.58	303.86	306.54	302.88	344.9
6	Mechanical Engineering (74)	268.63	+0.5	20.37	7.73	6.09	167.85	179.27	173.75	171.86	174.9
8	Metals and Metal Forming(16), CONSUMER GOODS	164.51	-0.7	20.69	9.23	. 5.77	165.67	167.91	169.27	168.17	156.9
ᄪ	(DURABLE)(50)	222,26	+0.2	16.08	5.50	7.67	221.75	220.99	222.98	224.22	208.5
12	Lt. Electronics, Radio, TV (15)	313.59	+0.2	12.27	411	10.46	313.00	310.64	312.17	314.80	273.3
13	Household Goods (14)	114.60	+0.4	26.57	9.57	4.50	114.18	113.45	114.85	113.73	159.2
14	Motors and Distributors (21)	111.59	+0.3	24.00	8.35	4.92	11123	112.16	114.33	114.47	113.7
21	(NON-DURABLE) (173)	220.89	+0.4	18.35	6.93	6.72	219.98	219.34	225.14	224.61	209.4
22	Breweries (14)	260.44	+1.0	17.16	6.71	6.84	257.86	257.95	262.27	259.63	224.5
23	Wines and Spirits (5)	291.45	-0.3	18.62	6.36	6.63	292.39	292.05	298.12	298.95	296.3
24	Entertainment, Catering (17)	366.96	+0.8	18.18	6.84	6.88	304.67	303.09	312.47	310.35	275.9
25· [	Food Manufacturing (19)	203.58	. —	19.89	7.36	6.22	203.49	203.62	208.78	208.03	198.9
26	Food Retailing (15)	305.39	+1.1	13.61	4.91	8.78	301.95	302.09	308,22	304.66	238.4
32	Newspapers, Publishing (13)	449.18	-0.2	22.47	6.69	6.07	450.61	449.85	455.30	459.58	380.9
33	Packaging and Paper (7.5)	131.06	-0.4	22.72	8.67	5.66	131_52	13L79	134.86	134.62	133.9
34	Stores(43)	237.50	<b>-</b> 0.6	14.14	5.23	9.34	216.17	215.10	222.29	224.96	193.3
35	Textiles(23)	134.65	+0.5	27.34	12.08	4.63	133.98	132.70	134.43	134.22	1703
36	Tobaccos (3)	208.76	+0.3	27.82	11.27	4.08	208.16	207.09	214.30	209.28	2443
37 I	Toys and Games (6)	39.91	-124	41.01 15.08	17.94	3.08	45.55 233.61	46.23 233.23	46.42	43.37	99.9 196.0
<u>.</u>	OTHER GROUPS (97)	211.02	-6.3		6.43	8.03			215.44	21441	
42	Chemicals (17)	312.81	-8.8	15.71	6.44	7.35	315.45	309.46	314.46	317.88	283.1 242.2
43-	Pharmaceutical Products (7)	213,39 119,17	-0.2 +0.7	11.93	5.99	10.22 6.55	213.88 118.38	215.41 119.22	219.22 123.10	221.00 122.62	125.1
14 15	Office Equipment (6)	477.30	-0.7	17.74 11.09	6.86 6.77	1721	479.44	484.88	494.05	474.89	4021
2	Shipping (10)	248.95	+0.1	16.21	6.49	7.82	248.71	250.36	255.99	251.26	211.7
8	INDUSTRIAL GROUP (492)	232.02	+0.2	17.24	6.56	717	231.50	231.29	236.37	235.60	217.2
51		809.25	+0.2	13.89	5.89	7.78	854.35	797.65	813.64	831.08	558.5
1	Ois (8)								281.90	282.49	245.1
59	500 SHARE INDEX	277.51	+0.3	16.51	6,41	7.29	276.64	275.94			
517	FINANCIAL GROUP (117)	199.04			5.59		198.98	198.47	203.13	203.18	170.8
62	Banks(6)	231.97	-0.2	35.85	5.60	3,56	232.32	230.96	235.19	236.42	203.8
3	Discount Houses (10)	237.19	1.9	70.56	8.59		241.76	241.76	240.75 181.92	234.64	221.8 158.2
4	Hire Purchase (5)	178.42		.18.64	5.33	6.99	178.42 172.05	177.53	176.53	178.40 . 176.86	129.0
55	Insurance (Life) (10)	171.91 130.22	-0.1 -0.2	-	6.12 7.46	_	130.29	170.15 130.34	133.63	176.86	129.00 117.97
56 57	Insurance (Composite) (9)	282.35	+0.3	17.49	6.95	8.22	281.56	282.67	287.68	287.22	302.12
8	Merchant Banks (14)	105.83	+0.2	447	5.72	8.22	105.65	105.75	106.46	105.75	77.9
ا وز	Property (44)	363.20	+0.5	3.69	3.04	38.85	361.56	360.57	371.49	369.01	293.2
76	Miscellaneous (9)	133.85	~0.3	15.52	6.79	8.46	134.31	135.74	137.13	135.08	1118
7		232 10	+81		5.45	<del></del>	231.91	232.99	24141	296.59	207.4
2	Investment Trusts (109)	232_10 ( 221_37	-0.2	10.41	3.99	11.66	227.45	222.35	224.26	230.07	121.2
<u> </u>	Mining Finance (4)	423.33	+0.3	11.84	6.36	10.37	422.05	424,47	436.51	437.34	324.3
<u>"∸</u> L	Overseas Traders (20)	260.63			6.14	10.71	250.02	-		265.72	225.7

	FIXED INT	erest p	RICE IN	DICES				ED INTE YLELDS Joyl Ax. G	;	7	ives., Feb. 19	Mon., Feb: 18	(spprox.) #90 Year
В	ritish Government	Tues., Feb. 19	Day's change %	xd adj. today	nd adl. 1980 to date	1 2 3	Low Coupons	15	years years		12.93 12.73 12.73	13.00 12.77 12.77	10.30 12.10 12.92
1	Under 5 years	99.78	+6.16	-	2.10	5	Medium Coupons	15	years years		14.97 14.29 14.12	15.04 14.37 14.17	13.17 13.57 13.57
3	0ver 15 years	103.91 108.69 129.33	+0.38 +0.40 +0.28	_	2.00 1.53 0.00	7 8 9	High Coupons	5 15	years years		15.11 14.64 14.57	15.18 14.70 14.63	13.43 14.19 14.11
5	All stocks	103.97	+0.31	<u> </u>	1.81	10	Irredeens				1.50	11.52	12.53
-		_		Tues., Fe Index   ' No.	F	ion. eb. 18	Fri. Feb. 15	Thurs, Feb. 14	Wed. Feb. 13	Tues. Feb. 12	Mon. Feb.	Fri. Feb. 8	Year ago (approx
15	20-yr. Red. Deb				4,49 5:			l i		i	ı	51.79	1
16 17	Investment Tru Coml. and Indi			48.34 : 61.70 ; :	,	8,29 1.70	'	47,86 61.81	47,86 61,87			1	1

#### **ACTIVE STOCKS**

Der	nimor	a- of	Closing	Change	1979-80	1979-80
Stock	tion	marks	price (p)	on day	high	wei
Burmah Oil	£1	8	217	+ 5	217	82
ICI	£I	8	395	- 5	415	314
Racal Electronics	25p	8	216	+ 1	276	168 <del>1</del>
Shell Transport	25p	8 8 7	374	+ 2	402	278
BAT Inds	25p		237	+ 2	362	230
Coats Patons		6	471	+ 1	77	44 <u>1</u>
Cons. Gold Fields	25p	6	510 <sup>-</sup>	- 6	617	178
Imperial Group	25p	6	824	— <u>1</u>	108	711
LASMO	25p	6	480	+4	512	124
Premier Cons	5p	6	743	+ 21/3	87	15 <u>}</u>
RTZ	25p	6	460	+ 2	492	226
Allied Breweries	25p	5	76	_	102	78
GEC	25p	5	383	+ 3	456	311
GUS A	25p	5	388	+ 2	<del>44</del> 8	288
Imp. Cont. Gas	£IÌ	5	73 <del>4</del>	+ 6	773	358
<u> </u>				<u>-</u>		

#### **OPTIONS**

First Last Deal- Deal-Declara- Settleings ings tion ment Feb. 18 Feb. 29 May 9 Mar. 3 Mar. 14 Jun. 12 Jun. 23 Mar. 17 Mar. 28 Jun. 26 Jul. 7 For rate indications see end of Share Information Service

Carpets International, Premier Oil, Camford Engineering, Debenhams, Charterball, Brook rants, LRC, FNFC, Town and City. Denbyware, RTZ and Cons. Gold Fields. Puts were transacted in Dunlop, Grand Met., UDS and Beecham, while Calls were dealt in Burmah, doubles were arranged in Woodside, KCA, Philip Kunick, Charter Cons., GUS A, Town National Carbonising, Highland Distillers Communication of the Constant of the C

#### RECENT ISSUES

#### **EQUITIES**

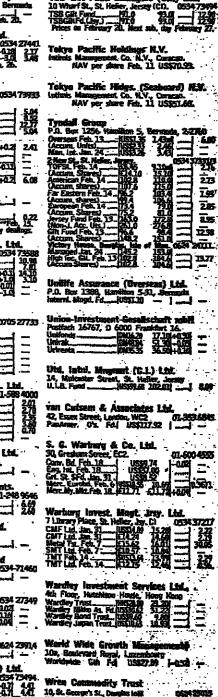
Issue	a Contraction	# 2 e	1979/80		Stock	E 8.	 + or	4. <u>5</u>	Pred Pred	55	بد
Price p‡	F.	350	High	Low			Ë	A D	₽ģ	<b>ā</b> ⋝	2
£1 180 10 **	F.P.	28/2	102 108 11 88 927	981 <u>2</u> 10 72	Child Health Res'ch. Emess Lighting Keep Inv. Trust 5p Lon.Merc'(Secs.Derid Wareldhave NVDFL20	106 104 72	+1 	ьб.0 QFI.6	-1	8.1 = 5.5	4.
	FIXED INTEREST STOCKS										

=#   K#   # 11911			U# 1							
4 F.P. 30/5 98	94 Feibtstt 85p Hewitt	5,85% Oum. Pref ((Chas.) 19% Cum. Pref owe Dock 9½ Cum Red Pref (J.) 10% Cum. Pref. (J.) 10% Cum. Pref.	94 86p	+1						
"RIGHTS" OFFERS										
Issue 55 Renunc.	1979/80		E 04	+ 4						

Issue 55		Latest Renunc. Date		1979/80		Stock	100s 100s	+ or
Dİ.				High Low			ᄚᆂ	<u> </u>
\$23.6 331 <sub>2</sub> 40 60 A\$1 60cts 25	F.P. F.P. NII NII	22/3 22/1 6/1 — 20/3 21/2	29/2 24/1 — — 12/3	36pm 191pm 845 45pm 486pm	25pm 69pm 660 20pm 180pm 32pm	Hammerson Prop. A Hanimex Corp	36pm 100pm 830 20pm 380pm 40pm	
Rå.50‡	# NR	<u> </u>		30pm	4pm	Rand London Goel Units	16pm	

# OFFSHORE &





### FT UNIT TRUST INFORMATION SERVICE

AUTHORISED	22 Blossfield St., EC2M 7AL 01-638 4485 St. Dis. Inc. Feb. 8	George's Way, Stevenage. 0438 56101 45, Ch. with Units[70.0 73.10]	oriotte Sq. Edinburgh, 031-226 3271 Ringstee ort American Fund . Croydon ord Units	d House, 6, Whitehorse Road, CRO 2JA, CRO 2JA, Series (2),	Cithon St., EC2A 4MX 00-2477699 Enterprint (Cithon St., EC2A 4MX) 00-2477699 Enterprint (Cithon St., EC2A 4MX) 5-47589 — Enterprint (Cithon St., EC2A 4MX)	ise Horse, Portsmorth. 07/05 27733 GPO Ber 182 9 276,91 -0.81 Niskal J 187.2 155.01 -0.91 Niskal J 183 6 163.71 -0.51 Niskal J 183 6 163.71 -0.51 Niskal J	Management Ltd. 2 590, Hong Kong 590, Hong Kong 591, 13
UNIT TRUSTS	Great Winchester	18, Gresham St. ECZV 7AV. 01-606 8099 Widner ome Feb. 18. 113 8 5.76 Stands weral Feb. 18. 142 78.2 5.74 Stands on Feb. 18. 149.7 52.4 3.07 Access processory Fund Managers Ltd. 01-604555 Sun	or British Capital Ford  ord 1573 1680 -0.5 6.95 Farmlin  ord 1573 1680 -0.5 6.95 Farmlin  Units 1786 190.9 -0.5 6.95 Money i  Dealing fluts & Fri. Wed.  Alizance Fund Mingt. Ltd.  0.003.6514 50 PULAT	old Fd. 100.0 1053+13 700.0 Pe	5-à Main Feh.14 1172.6 181.7	ty 187.0 196.7 U.S. Do anguard 98.0 103.3 +0.3 Univel S	the Demonstrated Fets.  74.   1539   9 ,871   8.90  Demonstrated Fets.   1.01   8.90  Demonstrated Fets.   1.01   1.05  new Fet.   107 0   115 1 m
Abbey Unit Tst. Magrs. (a) 72-80, Gatchause Rd. Aylesbury Dibley Amer. Gtt. Tst. 1490 Abbey Capital Abbey Capital Abbey Gatchause Rd. 75, 51, 9 +0.21 1-33 Abbey Capital Abbey Ist. Tst. 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 51, 149, 149, 149, 149, 149, 149, 149, 14	American Rd., High Wycombe. 0494 33377 Reputy & Law 777.1 81.11 40.4 4.87 Mg Fidelity International Management Ltd. 62-63, Queen St., London, ECAR JAO, 01-284 891 American 26.7 28.2 4-0.11 1.00 American 25.2 25.4 9-0.11 1.200 Mg Fixed Interest 25.2 25.4 9-0.11 12.00 Mg Fixed Interest 25.5 25.4 9-0.11 12.00 Mg Fixed Interes	rt. Gen. Feb. 20 59.9. 62.11.51. 2.25. Exp. 1. 101.11.61. 3.15. 41.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1	A. Feb. 13	loney Acc. 57.9 10.2 53.4 Pe 10.2 53.4 Pe 10.2 53.4 Pe 10.2 56.8	150. Ar. Feb. 15 171.6 180.7 - F. Int. 180.7 - F. Int. 150.4 153.4 - F. Int. 150.4 153.4 - F. Int. 150.4 Inc.	Pen. Cap	Sub 13 10.855 0.89 11.50 the at Feb. 15, Next dealing Feb. 27, 10.54 10.54 1. 20.53 10.54 10.55 121 return on request. Next dealing Feb. 19. Shipley Tst. Co. (Jersey) Ltd. 2533, St. Heller, Jersey. 053474777 Fd. (n) 1949 9 544-0.03 14.49 Cap. Fd. 11.054 10.55
Abbey Jon. Ts., Find. 1988 414 125 544  Alten Harvay & Ross Unit Tst. Mingrs. 45, Cornhill London ECSV 3PB. 01-623 6514  Alt Gift & Pert. 1903 95 1nf	James Finlay Unit Trust Mngt. Ltd. S. 10-14, West Mile Street, Glasgow. 041-204 1321 Co. J. Finlay Internat'i	Interested House, Silver Street, nead- effeld, SI SRO. 17-6; 0742 79842 Specusimostry & Gen. 198.2 107.5 -0.23 3.45 American Landson L	Carcone 51 271 -0.3 242 NFSE (Carcone 28.6 30.9 -0.3 242 NFSE (Carcone 28.6 30.9 -0.3 242 NFSE (Carcone 28.6 30.9 +0.1 10.16 Perior (Carcone 28.6 30.9 +0.1 11.00 Series (Carcone 28.6 30.9 +0.1 11.	Applications of the control of the c	oution Indemnity & Gnl. Ins. Co. Ltd Scott Section 1, 12 Co. Ltd Secti	tish Widews' Groep  by 902, Edeburgh EH16 58U 031-655 6000  P. Feb. 15 119.7 126.0 - Butners  by 5r. Feb. 15 119.7 126.0 - Butners  by lan, 25 110.4 116.3 - Butners  li Acc Feb. 6 151.0 157.5 - Capita	field Management Co. LUSI or 195, Itaminon, Bernada. 1 Epuny
01-588 2851 or Brestwood (0277) 211459 Shibmacai Funds Affied 1s: 76.8 Brit. Inds. Fund 70.3 Growth & Iscorne 20.7 Elect. & Ind. Dev. 56.7 Alied Castan 78.4 Hambro Fund 100.3 Hambro Fund 100.3 Hambro Acc. Fund 146.6 156.9 14.4 156.9 14.5 156.	A. Finlay Fd.(a.18	come   54.7   59.1   7.12   cquan   1.2   1.2   1.2   1.3	Sional Feb. 20, 1923 196.0m -0.11 4.89 St. Hell 1972 Vy. An. 1972 Vy.	dercial tender serving men's, I wheel shall ECS. 01-283 7500 SI len's, I wheel shall ECS. 01-283 7500 SI len's, I wheel shall ECS. 01-283 7500 SI len's, I wheel shall be shal	I King William St. ECAN 750. 01-625 05.11 Peu. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	udia Life Assurance Co. Ltd. Capital AA Fleet St., London EC4 20Y 01-353 8511 Chart	Notre-Dane, Lusembourg. Int. Fund US\$Z2.46 [-0.22] — erhouse Laphet moster Row, EC4 01-248 3999 a Data 1 8,94 -0.05 3.33 a Data 1 8,94 -0.05 3.33 Data 1 8,94 -0.05 3.33 Data 2 3,84 -0.13 4.25 Data 2 3,88 -0.11 3.75
Incesses Funds High Yield Fd.   169 5   74 and +0.21   955 High-Income   72 6   77.77 +0.31   7.59 A. H. Eq. Inc.   40.7   44.6st +0.31   7.85 International   29.5   31 6st +0.31   3.43 Pacific Fund   47.6   50.9 +0.7   2.31 Sect. Of America   61.4   55.77 +0.31   2.31	Int. Growth Fd. 45.0 47.8 +0.0 2.10 M. (Accum. Units.) 47.4 50.4 +0.2 2.10 M. (Accum. Units.) 47.4 50.4 +0.2 2.10 M. (Accum. Units.) 47.4 Mgrs. V M. (Accum. Units.) 47.4 Mgrs. V M. (Accum. Units.) 47.4 Mgrs. V Mgrs	Finster Fund Managers Ltd. Trait linester Hee, Arthur St., ECAR 98H 01-623 1050 TUU merent Jan. 31	me & Growth	Find 90.6 95.3 — C pard Man. Pen. 90.6 95.3 — C pard Man. Pen. 90.6 95.3 — 6 Mang. Pen. 233.8 237.8 — 6 Man. Pen. 234.8 304.4 — 6 Pension 248.8 304.4 — 6 Pension 718.5 224.1 — 6	Flex. Exempt Fd. 189.7 Exempt From Fd. 2019 Exempt From Fd. 2019 Expl. law. Fs. Fd. 2019 Expl. law. Ts. Fd. 2019 Expl. law. Ts	For Solar Life Assurance Ltd. see Sun Life Unit Assurance Ltd. P.O. Budard Life Assurance Company Process Establish EH22XZ 031-2257971. Cline Company 105.1 110.71 +0.31 — Cline Company 105.1	or Fund
Specialist Funds Smaller Co. 9 Fd	Funds in Court*  Public Trustee, Kingsway, WC2. 01-405 4300 N	ki Queen Street, SW1A 9J6. 01-222-8177 9am (LA Umts	ican Fen. 14 — 87.7 87.8 46.5 6.44 32, 02 ms. Duits. ) 3.7 13.7 8 146.5 6.44 32, 02 ms. Duits. ) 3.7 13.7 8 146.5 6.45 32, 02 ms. Duits. ) 3.7 13.7 13.7 13.7 13.7 13.7 13.7 13.7	Feb. 15 1030 +133 - pec. Feb. 15 525 205.0 - Grad. Jan. 20 1945 205.0 -	Proper little Fr. 93.0 Proper little Bank Cash Cash Cash Cash Cash Cash Cash Cash	1133   1193   140.4   Corn   110.2   106.6   10.2   10.6	hill lus. (Guernsey) Ltd. 307 157, St. Peter Port, Guernsey Man. Fd
For East Exempt	6 a.1. Ornt managers 210.7 9 16 Firsbory Circus, ELZM 700 01-628 8131 9 G.T. Cap. Income 121.7 129.8st -0.8: 2.09 9 10 Acc 133.0 162.7 -10 2.09 1 10 G.T. Inc. Fe. Uo. 188.9 200.9 -15. 7.50 1 4 G.T. U.S. & Gen 156.7 156.6 -1.4 2.10 1 6 T. Wils Ref Ed 188.9 98.0 -9.5 570	Murtial Unit Trust Managers (a)(g) Fiel 5 Copthall Ave., EC2R 7BU. 01-6064803 (Act Murial Sec. Plus 154 0.3 7.51 (Act Murial Inc. 73 7.5 5.4 0.3 7.84 (Mar Murial Inc. 73 49.0 53.20 (Mar) Murial Inc. 75 6.7 60.3 (0.0) (Mar) Murial High Yid 56.7 60.3 (0.0) (0.0) (Van	d Intal, Feb. 14 1002 1043 3,000 Crow um. Units). 1002 1043 3,000 Crow 1Feb. 19 603 659 0.4 454 Crow 15 60 19 605 10 6	Fd incm 1270.4 126.7 +1.3 10.57   126.7 +1.3 10.57   126.7 +1.3 10.57   126.7 +1.3 10.57   126.7 +1.3 10.57   126.7 +1.3 10.50	Eartily 1961	Beltz 1984 — Beltz	a Group  Sox 3012, Nassau, Bahamas  Inv. Feb. 12
1, Noble St., EC2V 7JA 01-623 637 inc. Monthly Fund (150.0 159.0) (12.4 Arbuthmet Securities Ltd. (2)(c) 37, Queen St., London, EC4R 1BY. 01-236 521 High Yield 41 48.0) -0.11 11.2 (Access Units) 70.8 77.0 -0.11 11.2	0 C.T. int'l. Fund [202.1 215.0] -5.2 1.40 C.T. Four Yds. Fd. 53.0 56.3 -0.5 7.80 E.T. Far Esst & Sert 56.8 61.0] -0.7 2.40 E. & A. Trust (a) (g) S. Rayleigh Road, Brentwood. (0277) 227300 14 6.8.4 [37.7 40.3] +0.2 5.16	National and Commercial 31, St. Andrew Square, Edinburgh. U31-556 8555. Van 1, St. Andrew Square, Edinburgh. U31-556 8555. Van 1, St. Andrew Square, Edinburgh. U31-556 8555. Van 1, St. Andrew Square, U31-55	g. Tee Feb. 13. 49.4 (2.1) 6.23 Prop. (2.1) 6.23 Prop. (2.1) 6.23 Fixed Remov Feb. 14 (2.1) 5.20 Fixed Remov Feb. 15 (2.1) 5.20 Fixed Remove Feb. 15 (2.1) 5.20 Fix	erry Fd. 18th	Persol Person 199.1 199.7 Deprey month of the Property Bonds 19.1 95.7 Managed Cap.1 10.6 Person Feb. 13. Feb. 14. Feb. 15. Feb. 14. Feb. 15. Fiethle Person Fund prices on Feb. 19. Managed Cap.1 10.6 112.7 Managed Cap.1 10.0 115.9 19.2 Managed Cap.1 10.0 Mar. Managed Cap.1 10.0 115.9 19.2 Managed Cap.1 10	naged Fund 126.0 132.7 +0.1 — Drey Life of Castada (UK) Ltd. P.O. 3.4 Cockspur SL, SWIY 58H 01-7305400 NAV	Trus Intercontinental Inv. Fd,  Box N3712, Nassau Bahanas.  Feb. 5
Extra income Fd 97.0 105.5 -0.7 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.8 11.0 14.2 -0.1 11.1 14.2 -0.1 14.2 -0.1 14.2	2 St. Mary Axe, EC3A 8BP 01-623 6114 11 Dealing only: 01-623 5766/5806 American Trust 128.8 30.9 0.1 0.81	48, Gracechurch St., EG3P 318. 03-02-3-020 318, M-1. Gh. Un. Tst.   55.8	isla Feb. 13 184 2794 512 Mon com, Unici 2184 2794 917 Inter come Feb. 13 100.0 105.0 917 Inter com, Unici 2014 2114 917 Inter com, Unici 2014 2114 1412 Inter 4. Feb. 13 993 105.0 14.12 Inter com, Unici 137.2 145.4 14.12 Inter	151 Fd. 1823 1144 1204 403 621 ry Fd. Arr. 1971 1127 401 17.44 ry Fd. 1823 1162 1163 401 8.77	108.9   109.0     Per   109.0     Per   109.0     Per   117.7   +2.1     Per   117.8     115.3   121.2   +2.3     Per   109.0   109.0     10	s. Man. Cap 1024 1078 The	English Association re Street, EC2 Income Fund* 51.8 Stering* 657.8e 57.91 Egainy* 152.75 Sept 27.11ba 213 deat dealing Feb. 29.
(Accum Units) 48.2 52.0 +0.2 4 Growth Fund 34.0 38.9 +0.3 2 (Accum Units) 45.5 49.1 +0.3 2 (Accum Units) 45.5 49.1 +0.3 2	77 High incaser 1st 56.4 60.1m 10.09 (10.00 ftm) 17.5 (35.5m) 7.05 (35.5m) 17.5 (35	National Westminster® (a) 161, Cheapside, ECZV 6EU. 01-606 6060 [A] Capital (Accum.)	Earnt, Feb. 20.—2715 Earnt, Feb. 20.—2715 Earnt, Indis)	win Egny Fd	Pacific (Cap) 11653 1327 1407 50 50 (Accum) 1150.6 158.3 140.9 50 50 50 50 50 50 50 50 50 50 50 50 50	utily red interest 115.5 117.3 ±1.1 = Ens ted interest 115.5 117.3 ±1.1 = Han remained Cach 113.5 119.5 = Han remained 110.8 100.8 100.2 ±0.2 11.25 Tel. Prices for Series 1 snaple cremain plans will be fractionally higher than those above. For the descurrance Cac. Let French 1 He Assurance Cac. Let French 1 He Assurance Cac. Let French 1 He Assurance Cac.	oboni: Holdings N.V. dekkade 24, Wildenstad, Curacao den Auents, Intel. 15 Christopher St., EC2. 01-247 7243, Tabri: 881-6408. Hidgs:
Faster & Int. For 201 3 3 4 5 2 1 (6% Widewillts) 201 3 4 5 2 1 (6% Widewillts) 201 3 4 5 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Small Co's	Portfolio Inv. Fd. 77.9 76.3 +0.2 5.90 (A September Companies 52.0 56.9d +0.2 5.25 5.25 5.30 +0.2 5.25 1.0 5.30 +0.2 5.25 1.0 5.30 +0.2 5.25 1.0 5.30 +0.2 5.25 1.0 5.30 +0.2 5.25 1.0 5.30 1.0 5.20 1.0	cora unis	gie Star Insur-/Midiand Assar. Inventueede St., EC2. 01-588 1212 gie/Mid Units	Celt Edged	rget House, Gatehouse Koda, Arlessany (029a) 5941. Cen Aylessany (029a) 5941. Cen clas. Fund Inc	Larrena Full USS 26 +0.04 1.35 +0.04 1.35 +0.04 1.35 +0.05 +
317, High Holborn, WC1V 7NL 111.01-831 for Archivary Fund 1103.2 111.0 1.7 Prices at Feb. 14. Next sub day Feb. 21. Bartlays Unicorn Ltd. (a) (c) (g) Unicorn Nc. 252, Rossiford Rd. E7. 01-534.5 Unicorn America 131.2 33.5 +0.2 1	293 inil Erns & Assets 25 571 290 49 American 270 201 402 230 Far Essi & Gen 321 346 130 Gerrett (John)**	Northgate Unit Trust Managers Lid. (C)(y) 20, Moorgate, ECZR 6AQ Northgate Feb. 7. 98.2 104.3 6.00 Northgate Feb. 7. 98.2 104.3 6.00 Northgate Feb. 7. 98.2 104.3 6.00 Northgate Hallon Insurance Broup (b)	remational	ed interest F. 1121 11.79 +0.81 — 1. Deposit Fd. 1129 117.71 +0.31 — 1. Deposit Fd. 1129 117.71 +0.31 — 1. Deposit Fd. 1129 117.71 +0.31 — 1. Deposit Fd. 1129 1136.21 +0.71 —	Property Pers. 1983 - Fi	sed left. Fd. Inc. — 107/6 113.3 — Fid. flow fd. Inc. — 107/6 113.3 — Fid. flow fd. Inc. — 107/1 112.7 — Fid. flow fd. Inc. — 107/3 107/7 — Fid. flow fd. Inc. — 107/3 107/3 — Fid. K. Egudy Fd. Inc. — 112/3 107/3 — Fid. K. Egudy Fd. Inc. — 112/3 107/3 — Fid. K. Egudy Fd. Inc. — 112/3 107/3 — Fid. Egudy Fd. Inc. — 112/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/3 107/3 — 7/2 107/	lefty Bignt. Research (Jersey) Ltd., Lefty Bignt. Research (Jersey) C544
Do Aust ist.   55.8   92.2 - 1.1   Do Capital   74.5   79.8a   40.2   Do Exempt 7st   120.0   125.0   +0.7   Do Extra Income   27.9   27.3   +0.1   Do Financial   37.1   97.6   40.2   Do 500   36.5   97.1   +0.1   Do Goo	32 Grieveson Management Co. Ltd. 30 59 Greshan Street, EC2P 2DS 01-606 4433 104 Barrington Feb. 13 2596 271 3rd 4.61 4.61 4.62 4.62 4.62 4.62 4.62 4.62 4.62 4.62	Group Tst. Fund	Do. Accom.   693   74.7   4.34   Ind.   TSB Incorte.   610   64.9   64	L Pen. Propérty	Intl. Equity	el Manusarieri am Pen Falcan 1460 1779 — Se Jan Pen Falcan 1462 1474 — Se Jan Pen Falcan 1462 1474 — Se ili Pen Falcan 1550 1316 — Fi rop Pen Falcan 1673 1972 — Fi rop Pen Falcan 1673 1972 — Fi pur Pen Falcan 1673 1972 — Fi	Tes A (Intri) 184.76 Inic B (Pacific) 19701 Inic B (Pacific) 19701 Inic B (Manass 120.35 9.29 12.25 Init Fixed Int 197.28 9.29 12.25 Inst Viking Commodity Trusts L Vik Cm. Ts 138.3 40.3nd 42
	3.33 Endeav. Feb. 19 277.5 283.4 -5.0 125.6 (Accum. Units) 270.0 301.3 -6.0 125.5 (Accum. Units) 270.1 98.7 3.25 (Accum. Units) 270.1 98.7 3.25 (Accum. Units) 270.1 98.7 3.25 150 12.6 8.5 98.5 Feb. 13 77.5 72.6 4.90 (Accum. Units) 277.5 72.6 4.90 (	Pelican Units Admin. Ltd. (g)(x)  Pelican Units Admin. Ltd. (g)(x)  57-63, Princes St., Manchester. 061-236-5695  Pelican Units	ollister Growth 37.4 40.2d 4.2 6.42 6.42 6.42 6.42 6.42 6.42 6.42	artmore Bonds For underlying unit prices of Gartmore Lioyd's Life Bonds see Gartmore Fund Managers under Anthorised Unit Treats spicurazioni SEMERALI S.P.A. 10-488.073	Milton Court, Dordags, Surrey. Nelex Eq. Cap	June Pen Fd Cap. 100-5 112-5 FT A. Pen Fd Cap. 110-5 112-5 FT A. Pen Fd Cap. 1110-5 112-5 FT A. Pen Fd Cap. 1111-5 FT	enting Japan Fund S.A.  roe Noire-Dane, Exventiourg leningFeb.12
Baring Brothers & Co., Ltd. (a)(x) 88, Leatenhall St., ECS. Stratton Trust	2830 Royal Exchange, ECSP 30N 01-028 8011 4.91 (ag) Guardhill Ts	48, Hart St., Henley on Thanks  Ppelual Gp. Growth. 158.8 63.2 415  Ppetual Gp. Income. 192.7 53.4 425  Practical Invest Co. Ltd.9 (yi/c)  44, Bloomshury Sq., WCIA 2RA  01-625 6893	ing William SL ECAR 9AR 01-623 4951 G. 2016 11 480 60 60 60 60 60 60 60 60 60 60 60 60 60	1. Managed Bond.   98.6   103.8    esseral Portfolio Life Ins. C. Lini. © D Bartindomew Ct., Waltimon Cross. WX31971 ortfolio Fd. Acc.   163.3    ortfolio Fd. Inst.   163.3    ortfolio Man. Acc.   45.4   47.8    ortfolio Man. inst.   44.2   46.5    ortfolio Fd. Inst.   53.1   53.8	Neisz Deposit Acc	Series 2 Fixed in Fr. 1900.  Series 2 Money Fd. 1808.  100.1	ree World Fund Ltd. sterfield Bidg., Hamilton, Bermuda. AV Jan. 31
Next sub day "Peb 26. "Mar. 4.  Bridge Fund Managers (a)(c)  Regic Hie., King William St., EC4. 01-623:	\$79 Can. Growth Inc.[0] = 0.1	Provincial Life Inv. Co. Ltd.♥  222, Bishopsgate, EC2.  223, Bishopsgate, EC2.  100, 4  105, 4  146,5  146,		ordolo Prd. IR. — [ALL ] 330, ——————————————————————————————————	Prices Feb. 1. Next dealing Mar. 3.  B Many Zealand Ins. Co. (UK) Ltd.V	Trident Life Assurance Co. Ltd. 9 London Road, Gloucester. 1141.9 149.51	midon Agents for: USSL 25 129 1166 nchor B Unit: USSL 25 129 1002 1369 nchor Git Edge USSL 25 9 29 4002 1369 nchor Int. Fd. USSL 25 119 470 nchor Int. Fd. USSL 25 262 nchor Int. Fd. USSL 25 262 159 17. Australia Fd. USSL 25 27 91 0.52 17. Australia Fd. USSL 25 37 0.52
Income*	Sector Funds   1277	Helbort Bars, ECIN 2NH. Prudential [425 2515] +16 552  Qualitar Management Co. Ltd. 9  The Stock Exchange, EC2N 1HP. 01-600 4177  The Stock Exchange, EC2N 1HP. 01-600 4177	Albey Life Assurance Co. Lid. 1-351. Paul's Churchyard, EC4. 01-248 9111	Frowth & Sec. Life Ass. Soc. Ltd.V Frowth & Sec. Life Ass. Soc. Ltd. Flexible Finance 1889 Amthant Sex. Acc. 123.9 53.182	Pacific. 140.6 146.2	Money 131.4 117.4 -0.5 - 6 111.4 117.4 117.4 117.4 -0.5 - 6 111.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117.4 117	T. Assa Sterling 1783 1743 1744 1745
Britzanzia Trust Management (2)(g)(2)  3, London Wall Buildings, London Wall London E2M 501  802 5,9 40.8  Assets Acc. 953 741.92 Comma 6 100 124 1445 1445 Comma 6 100 124 1445 144 Commackt 124 1445 144	2) European(q) 51,9 51,9 61,0 10,0 10,0 10,0 10,0 10,0 10,0 10,0	Reliance Unit Mgrs. Ltd. V Reliance Hse., Tonbrudge Wells, Kt. 0892 22271 Conortinity Fund — 174.6 70 81 -0.9 a.21 Sekforde Tst. (Acc.) — 43.6 46.6 +0.5 6.50 Sekforde Tst. Inc. — 40.2 43.0 +0.4 6.50 Polymerfield Management Ltd.	Egaity Acc. 135.0 3/2 1011 — Property Ed. 138.4 1931 + 011 — Property Acc. 2015 212.7 + 0.2 — Property Acc. 2015 121.7 + 0.2 — Selective Fund 137.9 113.4 10.2 — Convertable Fund 136.4 135.4 + 0.3 — Convertable Fund 136.4 135.4 + 0.3 — Convertable Fund 136.4 135.4 + 0.3 —	Suardian Royal Exchange  Royal Exchange, E.C.3.  Seardian Asserance, E.C.3.  Seardian Asserance, E.C.3.  Seardian Asserance, E.C.3.  SEC Linked Lite Asserance Limited 4, -0.6,  Marrayed Initial 123.7 130.0 -0.6,  Seardy Initial 123.7 130.0 -0.6	07 P0 Box 4, Normich NRI 3NE.  Managed Fund	Pers. Pty. Acc. 157.2 165.4	ST. Company Control of
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For Share Index and Business News Summary in London, Birmingham Liverpool and Manchester, Tel: 246 8026

contact Steve Wehrle.

Dept. FT, The Civic Centre, Newport, Gwent. Tel: (0633) 65491

# Trudeau swept back to power

BY W. L LUETKENS IN MONTREAL

MR. PIERRE TRUDEAU has MR. PIERRE TRUDEAU has In the West, the Conserva- Mr. Trudeau has let it be US\$12.69 a barrel been swept back into power as tives yielded not to the Liberals, known that he does not want. It was to go months after saying he wanted to leave top-level politics.

French - speaking Quebec, always staunchly Liberal in Federal Canadian elections, combined with Ontario, the most populous province, to reverse the defeat inflicted on Mr. Trudeau last May by the Progressive Conservative Party, led by Mr. Joe Clark. The Atlantic province went with the trend, whereas the West elected only two of the 146 Liberals ment, especially one dependent returned to Parliament. The on the support of the New Liberals have an overall Democrats for survival.

majority of 11 over the 103 The future of both Mi Tories and 32 New Democratic and Mr. Trudeau is the object

Canadian Prime Minister three but to the New Democrats, a to fight another campaign. He social democratic group. Only has won general elections in and by larger steps in the Alberta, rich in oil and gas, 1968, 1972, 1979 and 1980, and following years. The target was remained solid for the Tories.

The business world, by all accounts, wanted Mr. Clark to he will carry on for a year win, but markets took the election result in their stride. The Canadian dollar opened firm by 1985. But one of his closest and the Toronto Stock Exchange rose. For business, a majority

government of either party is better than a minority govern-The future of both Mr. Clark

Party members. One seat in of much speculation. Mr. Quebec has still to be decided. Clark may have difficulties perfollowing the death of a suading the Tories to give him

lost once, in 1979.

There are suggestions that the next general which must be held before election, associates. associates, Senator Jean Marchand, said on election night that he expected Mr. Trudeau to serve a full term.

Two main reasons account for the result - doubts about the calibre of Mr. Clark, and the tough budget introduced and defeated in the House of Commons in December. Its main provision was for a quick increase in the heavily sub- Trudeau wins control of sidised domestic price of oil, divided country, Page at present equivalent to only Editorial comment, Page 22

It was to go up by C\$4 (about U.S.\$3.44) this year, at most 85 per cent of the world price or of the price in Chicago, whichever was lower.

Alberta was enthusiastic about it, and the business world welcomed the proposal, which was designed to encourage conservation and to provide money to find new native sources of oil and other energy. But the rest of the country feared for its standard of living, particularly since Mr. John Grosbie, the outgoing Financial Minister, also intended to put an excise tax of 18 cents (about 7p) a gallon on

#### **Prudential** wins case against Newman

MINORITY shareholders will

yesterday.

Mr. Justice Vinelott ruled in favour of the Prudential Assurance in its action against Assurance in its action against Newman Industries and others.
He found that Newman had issued a "tricky and misleading per cent last year compared circular" in 1975 and that two directors of the company had conspired in framing it and recommending its acceptance by

The judgment represents a breakthrough in company law by extending the circumstances in which a shareholder can bring an action against directors who have acted for their own benefit and against the interests

The definition of directors liable for such proceedings has been based on their having voting control of a company. Now, after the Prudential's successful derivative action, they need only have de facto control.

Concluding his reserved judgment, the judge said that the plan by the two Newman executives chairman Alan Bartlett and former vice-chairman John Laughton, "was a confully to injure Newman and the shareholders of Newman."

The action springs from a circular issued by Newman in 1975, proposing to shareholders the purchase for £325,000 of a package of assets and liabilities owned by Thomas Poole and Gladstone China, a company in which Mr. Bartlett and Mr. Laughton held the same posts as at Newman and in which they were major shareholders. The Pru, a minority shareholder in Newman, claimed that the circular was " tricky and/or mis-

Mr. Justice Vinelott accepted that it was tricky and misleading on all but two of the counts cited by the Pru. He indicated the likely level of damages by agreeing with the Pru that if the agreement had not been entered into, Newman would have been able to acquire the package at a price at least £450,000 less than paid, meaning a nil price with fewer TPG damages would also consider in-terest over the past five years, so the overall figure could be

at least £800,000.
It is not yet clear, however, to what extent shareholders will benefit directly from the damage payments and to what extent payment will be made to Newman itself. This is because the Pru mounted two com-plementary actions. The first was on behalf of other share-holders (except Mr. Bartlett and TPG) and the second, the derivative action, on behalf of Newman. Damages will in any event be paid by Mr. Bartlett, Mr. Laughton and TPG. Details, Page 26

Continued from Page 1

U.S. inflation

But there are other factors at

work, including fears that the

banks could face a renewed

surge of borrowing demands

because of what is happening in

the long-term bond markets.

normally a prime source of credit for corporations.

Government

market, which has witnessed its

sharpest decline in modern history this year, fell precipi-

tously again at vesterday's open-

ing. The recently-issued long-

dated Government bond, the 112

There are fears that in the

bond

### Oil and gas output raises level of economic activity

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

RISING NORTH SEA oil and have significantly more protection accounts for tion under the law as a result almost all the small rise in of a High Court judgment overall economic activity in the

with 1978.

It is officially estimated that apart from some growth in the energy sector, principally North Sea oil and gas, the underlying level of activity was much the same as in the second half of

notably manufacturing industry, were seriously affected in 1979 by the series of major industrial disputes and by the bad weather at the beginning of the year. The latest figures show that

total output measured by real

ECONOMIC ACTIVITY Gross Domestic Product-based on output data, at constant prices, with 1975=100, and seasonally adjusted.

\* Preliminary estimate Source: Central Statistical Office.

to 109.7 (1975=100, seasonally

adjusted). Officials suggest that activity in the distributive and motor

trades recovered from the depressed levels in the July to September period in the aftermath of the Budget spending

There was some reduction in North Sea oil and gas producgross domestic product rose by tion, but this was still 24 per 0.4 per cent from the third to cent higher than in the same the fourth quarter of last year period of 1978. tion, but this was still 24 per

The rise in output in the fourth quarter recouped only a small part of the 1.9 per cent fall in the previous three months, and supports the impression of a sluggish underlying level of activity.

There is little firm statistical evidence yet for the widely expected recession. It has been indicated by surveys of business opinion and by most economic forecasts.

Consumer spending certainly appears to have weakened in the last two months, and stocks of industry and the retail trade are at very high levels.

These factors are likely to depress the output and activity figures soon. Economic forecasters expect that Gross Domestic Product

will decline by between 11 and 3 per cent this year compared with 1979. An uncertain factor is the continuing higher-than-expected level of activity in the

### Villiers criticises Government

BY FLINOR GOODMAN AND BOY HODSON

THE GOVERNMENT'S handling of events leading up to the steel cised in outspoken terms last a general strike in Britain." night by Sir Charles Villiers,

It is almost unprecedented for the chairman of a Sir Charles is clearly very nationalised industry to speak angry with the way he has been against the Government during treated this week by stories cerning steel industry affairs.

as the Prime Minister was ing in the U.S. for a replace-telling the Commons that she ment for Sir Charles. "complete confidence" in

When asked how that forecast chairman of the British Steel had been received by Ministers and Civil Servants, he smiled: "They took note."

Sir Charles is clearly very a crisis involving his industry, emanating from Government Yet Sir Charles told a Press circles. His immediate anger conference in London that there is directed against Mr. James had been instances of "bungled Prior, the Employment Secrecommunications by the Govern- tary, whom he accused of being ment" on more than one responsible for leaks that the occasion in recent months con-Government was planning a radical reorganisation of the Sir Charles made his attack corporation and was head hunt-

He cited stories last weekend him and insisting that there was of the Government having no question of the Government's agreed upon a "U-turn" on its undermining his authority as steel policy as being another instruce of bungled Government

At his Press conference Sir communications. Sir Charles Charles revealed that as far said he had rung Sir Keith strike and its management of back as September, 1979, he had Joseph, the Industry Secretary, affairs during the seven weeks warned the Government that a to find out what was going on of the strike itself were criti- steel dispute "could result in only to be told that the stories were nonsense. In the Commons,

Thatcher acknowledged to MPs that alternative chairmen were being considered. "We would be culpable if we were not already looking for someone as a possible replacement," she said. Mrs. Thatcher again empha-

sised that the dispute was one for the management and unions to sort out between themselves. Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said yesterday that he did not see how the present BSC management could remain in office for long. But he insisted that the unions would be firmly opposed to an American being recruited to succeed Sir Charles.

### **Picketing**

the TUC.

The TUC said the Governunions had issued instructions about picketing.

Dealers are anticipating an

unenthusiastic reception today

for some \$4bn of new two-year

Treasury notes. An equivalent

two-year issue was yielding

close to 14 per cent yesterday.

Share prices fell sharply in heavy trading, with the Dow

Jones industrial average down

almost 12 points at 873.12 at 2 pm New York time The Dow

had fallen over 10 points in each

of the two previous days.

But it added: "In contrast, guidelines.

But Mr. Prior, last night Government to help, and underreceived a dusty answer from standably feelings are now running high.
"The strike is now entering

ment must bear the major its eighth week, and there responsibility for what was appears to be no immediate happening on the picket lines. The TUC did not condone lawbreaking, had been trying to help settle the steel strike, and about closure of plants, with the property of the strike about pay could breaking, had been trying to help settle the steel strike, and about closure of plants, with merge into a wider dispute had warned that it would with-about closure of plants, with draw the guidance if the very serious consequences for Government went ahead with its parts of the country, like South labour law changes.

Continued from Page 1

In his letter of reply to Mr. Prior, Mr. Murray did not directly answer the question put

to him. But he pointed out that the TUC guidelines had been agreed with Labour Ministers, were based on the premise that there would not be "legalistic intervention," and that the TUC

Continued from Page 1

### New curbs

general economic and industrial policy. Mr. Len Murray, TUC general secretary, said the Government

had acted under pressure from

its wilder supporters. "They are attacking the fundamental safeguards of curbing remote action first, and workers and their unions, considering whether to go creating conditions in which no further in a Green Paper one can be sure what the law in disputes will be, and pushing "Trade unions have unlimited employers and union further power, subject only to their

tion while disputes drag on." In spite of the sharp reaction per cent of 2005-9, fell a further in the stock market, there is 31 points to 931 where it was widespread uncertainty about Mr. David Basnett of the General and Municipal Workers' yielding 12.60 per cent to the impact of the latest Fed Union accused the Government private steel companies associamaturity. Corporate bonds fell move to tighten credit. Some of choosing to confront tion called the paper a "mouse" organised labour. The only CBI and TUC leaders and result would be industrial chaos others will be invited to comcorporate economists are arguing that the discount rate should face of such unprecedented bor-rowing costs, corporations will in a more determined effort to and legal nonsense, with trade ment on the plans before March unionists again ending up in 21, when it is proposed to insert decide to turn to their bankers clamp down on the growth of for more credit, and put off money and credit. jail as they had under the 1971 an amendment into the Employ-Industrial Relations Act.

Workers would "inevitably" be led to break the law in order to defend their interests, said

Union of Engineering Workers. The CBI welcomed the plans, and agreed with the tactic of promised later this year.

and legal argument and litiga- told harm on industrial enterprises unconcerned with a particular dispute," it said. But the president of the

Mr. Ren Gill, of the white-collar section of the Amalgamated into the quagmire of complex own self-restraint, to inflict un-

### to head armed forces

Bani-Sadr

By Reginald Dale and Anthony McDermott

THE POSITION of President Abolhassan Bani-Sadr of Iran was strengthened considerably yesterday when Ayatollah Khomeini, the country's spiritual and political leader, transferred to him the post of commander-in-chief of armed forces.

Three days after the president took office on February 4, Ayatollah Khomeini named him head of the ruling Revolution-ary Council. Yesterday's ary Council. Yesterday's appointment gives the president more authority to deal with the crisis with the U.S. over the 50 hostages being held in the U.S. embassy in Tehran and with growing internal

Meanwhile in London, senior Whitehall officials said British arms deals with Iran, which million pounds over a period of years, could still be revived as soon as the U.S. hostages had been released. The deals at stake would be:

 The supply of ammunition and spare parts for the 800 British Chieftain tanks already in the Iranian army's possession; The delivery of at least two naval supply ships;
The possible renewal of the

cancelled contract for British tank transporters. Tehran Radio, announcing

Mr. Bani-Sadr's appointment, quoted AyatoHah Khomeini as saying that at this sensitive time there was a need for the centralisation of power. The appointment reflected a growing realisation that, in the face of regional disturbance within the county and the Soviet in-vasion of neighbouring Afghanistan, the armed forces had to be strengthened.

The appointment enables the president to tighten his control of the armed forces, which are still badly affected by revolu tionary purges and political

In the past week, command structures have been threatened by the sit-in lasting several days by 2,000 air force and army NCOs at Tehran University demanding the establish-ment of "soldier councils." Mr. Bani-Sadr disapproved of the indiscipline of the action.

Dr. Kurt Waldheim, the UN secretary general, yesterday

appeared to have delayed nam ing the membership of the five-man commission to investigate allegations against the Shah, until Iran's official acceptance had been received. The release of the hostages is dependent on the establishment of this commission.

### Weather

UK TODAY

RAIN in West and North mostly dry with bright intervals in South. London, S., S.E. and E. England E. Anglia, E. Midlands Mostly dry, bright intervals Max 8C (46F).

W. Midlands, N. England N. and N.E. Occasional rain, hill fog. Max Channel Isles, S.W. and N.W. England, Wales, Lakes, L of

Man Occasional rain, fog. Max 70 Argyll, N.W. Scotland Mainly dry. Max 6C (43F). Rest of Scotland, Orkney, Shetland

6C (43F), N. Ireland mostly Occasional rain, hill fog. Max Becoming mostly dry. Max Outlook: Unsettled, colder.

WORLDWIDE

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THE LEX COLUMN

# A new twist in Fed policy

Last Friday's rise from 12 to 13 per cent in the Federal Reserve's discount rate did not in itself provide convincing evi-dence of a tightening of U.S. monetary policy, as the rate had been out of line with the market for some time. But yesterday's testimony by the Fed Chairman before the Housing banking committee does suggest that the Fed's mood has changed. Recent inflation and retail sales data seem to have persuaded the Fed that its worries about provoking too deep a recession have been misplaced, and have compromised its anti-

inflationary stance. This may mean that the policies outlined on October 6 will now be put into proper prac-tice. Fed Funds were allowed to rise to over 16 per cent yesterday, whereas over the past few weeks the authorities have consistently intervened at around the 14 per cent level. In one significant passage in his testimony, Mr. Volcker sald that the Fed was studying pro-posals to limit banks' access to the discount window. If these

have firm control at last over the borrowed component of the reserve base. The U.S. bond market was once again in chaotic retreat yesterday. Investors are going to require bank reserve growth to come back under control before they are reassured. But the dollar is already benefiting

from the rise in interest rates: yesterday it moved above DM 1.75 at one stage, while sterling slipped two cents. In moderation, weaker sterling can only be welcome to the London markets. January's money supply figures betrayed an uncomfortably large amount of intervention to hold the pound down—yesterday, the Bank of England was giving support to sterling. But the upward pressure on sterling interest rates will be reinforced by events in New York. Although the Bank's manoeuvres will

assure the clearing banks of an

#### Dunbee-Combex

with the appointment of relevel of interest rates in both

Index fell 1.2 to 461.8 ASSETS ACQUIRED DURING YEAR

the UK and the U.S. has hit the group hard, and no doubt Midland Bank might have been prepared to be a little more patient had the financial background been more favourable.

Essentially the fall of DCM can be put down to the risks of loan-financed expansion in are implemented, the Fed will bought the loss-making company Aurora, while the existing American operations at Louis Marx began to run into serious trouble. The parent had tees totalling more than twice that figure were reported in the 1978 annual report issued last

> When it has come to the crunch DCM has not been able to meet its guarantee liabilities triggered by bankruptcy of its U.S. operations. Midland would not go along with any of the financial reconstruction schemes put up to it, short of receivership. But the do-it-yourself side, Martlet Services Group, will stay under its own management, and plans are going ahead to sell it off, perhaps through a public

#### Leasing

The headlong growth of leasing is now beginning to lose momentum. According to the easy enough make-up day today, achieving a lower interest rate structure is quite another thing. The first major financial by 48 per cent in 1979 com-While the association's figures ceivers to Dunbee-Combex apply only to its membership, Marx. It would be wrong, how-which is confined in the main ever, to regard DCM as to subsidiaries of banks, they no primarily a victim of the credit doubt reflect closely the overall group is plainly optimistic that squeeze, although naturally the level of activity in the market. Leasing by association mem-

at £1.8bn last year, repre sents 11 per cent of the estimated £16bn capital spending on plant and machinery, vehicles, ships and aircraft in the UK. The association's estimate for a further £350m-£400m leased by non-members raises the propor tion to 14 per cent, a figure that approaches 18 per cent on the hasis of other less conservative estimates. With penetration in this range it is hardly surpraing that growth is slowing towards a probable saturation point in the

region of 20 per cent of capital expenditure—the market share at which the U.S. leasing industry appears to have stabilised. With demand beginning to demonstrate its finite nature, overcapacity in leasing finance supply is now producing some extremely fine rates in the market. In the medicar term this process could force commer cial and industrial companies to stop being lessors, as the banks will have the competitive edge on them. This prospect would be pushed back a year or so if the Inland Revenue allows the banks to use a monetare the U.S. In 1978 the group working capital adjustment to reduce taxable profits and thereby leasing capacity, as Mr. Gordon Richardson, Governor of

the Bank of England, suggested guaranteed some \$17m of But soon after the leasing Marx's debt, and including other market stops expanding, the overseas subsidiaries guaran-once-and-for-all deferral of tax But soon after the leasing through leasing that took place in the second half of the 1970s will come to an end, because the market will be able to absorb little more than returned leasing rents each year. The general run of non-manufactur-ing companies will again start to face tax bills much closer to the nominal 52 per cent rate. Indeed, to the extent that indus-trial and commercial companies are forced out of the market, deferred tax will crystallise.

Lonrho

Lonrho's annual report has lost last year's audit qualification over the House of Fraser stake, now that Fraser is unarguably an associate, and the controversial depreciation The headlong growth of leasing is now beginning to lose write-back will disappear momentum. According to the Equipment Leasing Association's figures released yesterday, new leasing business expanded by 48 per cent in 1979 combined by 48 per cent in 1979 earnings. Relocation and closure costs of over £7m reflect continued pressures in the UK irdustrial subsidiaries. But the

